

# Report to Council

Agenda  
Item:  
  
**17(iii)**

Meeting Date: 7<sup>th</sup> January 2020  
Portfolio: Culture, Leisure and Heritage  
Key Decision: Yes: Recorded in the Notice Ref:KD  
Within Policy and Budget Framework YES  
Public / Private Public

Title: TULLIE HOUSE BUSINESS PLAN 2019 - 2025  
Report of: DEPUTY CHIEF EXECUTIVE  
Report Number: CS 01/20

## Purpose / Summary:

Carlisle City Council is asked to consider the attached Executive Report (CS 34/19) and the appended Tullie House Museum and Art Gallery Trust 2019 - 2025 Business Plan (which was considered at the City Council's Executive Meeting on 16<sup>th</sup> December).

The purpose of this is to allow consideration of the Business Plan in order that the Council may agree core funding for the Tullie House Museum and Art Gallery Trust. This is in line with Section 5 of the Partnership Agreement signed at the establishment of the Trust that the Business Plan submitted by the Trust to the City Council should be used as the basis for agreeing funding.

## Recommendations:

Carlisle City Council are asked:

- (i) to consider the comments of both the Health & Wellbeing Scrutiny Panel (as detailed in the minute excerpt of their meeting of 21/11/19), and the comments and recommendations of Executive as (detailed in the minute excerpt of their meeting on 16/12/19).
- (ii) Confirm the agreed levels of core funding for 2021/22 and the indicative levels for 2022/23 and 2023/24.

## Tracking

Executive:	14/10/19 & 16/12/19
Scrutiny:	21/11/19
Council:	07/01/20

# Report to Executive

Agenda  
Item:

Meeting Date: 16<sup>th</sup> December 2019  
Portfolio: Culture, Leisure and Heritage  
Key Decision: Yes: Recorded in the Notice  
Within Policy and Budget Framework Yes  
Public / Private Public

Title: TULLIE HOUSE BUSINESS PLAN 2019/20  
Report of: DEPUTY CHIEF EXECUTIVE  
Report Number: CS 34/19

## Purpose / Summary:

This report introduces the Tullie House Museum and Art Gallery Trust 2019 - 2025 Business Plan. The purpose of this report is to allow consideration of the Business Plan in order that the Council may in due course agree core funding for the Trust. This is in line with Section 5 of the Partnership Agreement between the Council and Tullie House Trust (THT). This states that the Business Plan submitted by the Trust to the City Council should be used as the basis agreeing future years funding.

The Business Plan also contains an overview of Project Tullie, the Trusts long term masterplan, that aims to transform Tullie House Museum into the creative and cultural heart of the borderlands for the 21<sup>st</sup> Century.

## Recommendations:

1. Executive are asked to consider the THT Business Plan following its review at the Health and Wellbeing Scrutiny Panel on the 21/11/19 and recommend to Council the revenue grant for the 2020/21 budget year and give an indication of future core grant allocations for 2021/22 and 2022/23.
2. Further to the above the Executive are also asked to consider the THT proposal for extending the indicative grant period to cover a four year cycle. This will necessitate a revision of the Partnership Agreement which can be undertaken in due course.

3. Finally, in the light of any revision of the Partnership Agreement, Executive are also asked to consider drawing together the three annual funding payments (as detailed at 2.7) into one single payment.

### **Tracking**

Executive:	<b>14/10/19 &amp; 16/12/19</b>
Scrutiny:	<b>21/11/19</b>
Council:	<b>07/01/20</b>

## **1. BACKGROUND**

- 1.1 On 14th December 2010 the City Council approved the principle of establishing a new Charitable Trust to run the Tullie House Museum and Art Gallery. Tullie House Museum and Art Gallery transferred from Carlisle City Council to a new, independent, charitable company on 5th May 2011.
- 1.2 The Funding Agreement between Tullie House Trust and Carlisle City Council states that the core funding for future years grant from the Council to the Trust is set following consideration of a business plan submitted annually by the end of October.
- 1.3 The Funding Agreement states that core funding should be agreed for a three year period (covered by a Business Plan submitted annually).
- 1.4 Tullie House Trust has suggested a four-year business plan (and funding agreement) would offer stability and certainty in budgeting for both parties. The Trust believe that a four-year cycle would also fit into the Arts Council for England funding cycle and help with the delivery of Project Tullie
- 1.5 The Tullie House Trust launched Project Tullie in 2018 to mark the 125<sup>th</sup> anniversary of the museum. Project Tullie is the Trusts masterplan to “*transform Tullie House Museum into the creative and cultural heart of the borderlands for the 21st century*” and is central to their business plan. Although the capital costs fall outside the revenue budgets presented in the business plan, Tullie House Trust see the delivery of the project as crucial to their ability to fulfil their strategic priorities (Community Engagement and Financial Sustainability) and associated objectives.
- 1.6 At this stage it is not clear what level of capital support will be sought from Carlisle City Council by Tullie House Trust for Project Tullie and what the impact of this masterplan may be on future revenue requirements.

## **2. CORE GRANT**

- 2.1 The Core Grant referred to in the Tullie House Trust Business Plan (Page 34 6.3) represents the financial support offered to the Trust on an annual basis to assist the Trust to operate. The Council has reduced this grant since the commencement of the Trust in May 2011, these reductions are approximately in line with other revenue reductions managed by the Council during this period. The table below demonstrates these reductions over time. To give the Trust certainty during this period the Council agreed to hold the core grant between the years 2013-15 and 2016-2020. This period also afforded the THT sufficient time to react to the recommendations arising from the LGA Productivity Review highlighted below.

- 2.2 The agreement to hold the core grant funding level for this period (2016-20) was stimulated by an independent review of the THT performance and sustainability. In early 2017 a comprehensive, productivity study was undertaken by specialist museum consultants Roseangle. This work was funded by the Local Government Association as part of their programme to assist the sector with efficiency programmes. The study was a joint commission with THT as was the appointment of Roseangle.
- 2.3 The report outlined recommendations to develop the commercial approach of the trust and improve their income and financial sustainability. A copy of this report is attached at Appendix 2 for reference. It is clear that THT have adopted many of these recommendations.
- 2.4 The report concluded that THT should operate with a core grant of no less than £500k from the City Council. The report also suggested that the Council could expect to achieve a core grant saving of £200k (from the 2018/19 grant level of £734,420) once the THT had implemented its recommendations. In addition, the report suggested that the Council might expect to achieve a further grant reduction of circa £100k should the THT realise a capital investment for a significant project.
- 2.5 The agreement to hold the core grant funding levels during this past four years afforded the THT an opportunity to make progress on its financial sustainability and determine its future major project. The THT have responded to this position by seeking to become more sustainable and conceiving Project Tullie.
- 2.6 During the past twelve months the THT have been focused on delivering Project Tullie and other on-site developments. The THT have also been successful in obtaining significant capital investment for a new costume gallery.
- 2.7 Previous core grant funding, inflation (borne by the Council) and Services costs (paid over to Tullie House Trust) are laid out below.

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Core Grant	1,314,420	1,256,420	1,198,420	1,198,420	948,420	734,420	734,420	734,420	734,420
Inflation	0	18,161	37,003	47,034	80,438	77,696	89,301	118,130	146,723
Services (HR/Payroll /ICT/H&S)	0	0	0	0	13,294	22,388	72,480	82,498	89,403
TOTAL PAYMENT TO TULLIE HOUSE TRUST	1,314,420	1,274,581	1,235,423	1,245,454	1,042,152	834,504	896,201	935,048	970,546

- 2.8 The total cost of the THT to the council is made up of the Core Grant, inflation and the market tested costs of services previously provided by the City Council (HR/Payroll/ICT/H&S).

The Core Grant is agreed as part of the annual budget cycle. The inflationary increase and cost of services calculations are written into the funding agreement.

Inflation is determined on an annual basis through a detailed calculation based upon individual income and expenditure budget heads included within the Tullie House Business Plan rather than on a fixed percentage increase on the core funding.

It is recommended that Executive consider a review of this revenue funding arrangements with a view to consolidating the three funding streams into one composite figure. This review would need to be conducted in line with the relevant sections of the Partnership Agreement.

- 2.9 The future core grant built in to the Council's current Medium-Term Financial Plan assumes the following reductions in core grant in respect of Tullie House Trust.

	2020/21	2021/22	2022/23	2023/24
Core Grant	634,420	584,420	434,420	434,420
Inflation (estimate*)	176,068	207,760	241,001	274,742
Services (HR/Payroll/ICT/H&S)	90,784	90,784	90,784	90,784
TOTAL GRANT	901,272	882,964	766,205	799,946
<b>Savings from 2019/20 levels</b>	<b>100,000</b>	<b>150,000</b>	<b>300,000</b>	<b>300,000</b>

\*Inflation estimated at 2% but will be calculated in line with the partnership agreement at CPI

- 2.10 Tullie House Trust have proposed a four-year core grant cycle. This proposed amendment to the Funding Agreement is detailed in the Private (Part B) report also on this agenda.
- 2.11 In the light of the Tullie House Trust Business Plan, the Executive will now need to agree the level of grant for the 2020/21 budget year at its meeting on 16/12/19 (recommending this to Council) and give an indication of future core grant allocations for 2021/22 and 2022/23.
- 2.12 Should the Executive wish to explore the Tullie House Trust proposals for a four year cycle then arrangements will need to be made for a change to the Partnership Agreement in order to give an indication of the core grant for 2023/24.

### **3. CONSULTATION**

- 3.1 The Tullie House Trust Business Plan has been considered by Health and Wellbeing Scrutiny Panel on the 21/11/19. The Panel recommended that the proposals made by the THT for core funding from 2020/21 to 2023/24 as at page 34, point 6.3 of the Business Plan be agreed by the Executive.
- 3.2 As the Health and Wellbeing Scrutiny Panel recommended the core grant for four years (the grant for the 2020/21 budget year and an indication of future core grant allocations for 2021/22, 2022/23 and 2023/24) the Partnership Agreement would need to be changed to accommodate this recommendation.
- 3.3 The Panel did not put forward options on how to accommodate this reduction in grant savings for 2022/23 or 2023/24.

### **4. CONCLUSION**

- 4.1 Following receipt of the THT Business Plan and the outcomes of the Health and Wellbeing Scrutiny Panel meeting, the THT Business Plan and core funding are now to be determined by Executive for recommendation to the City Council (07/01/2020) in line with the Partnership Agreement.
- 4.2 That the Executive consider the THT proposal for a four-year funding cycle and if agreed that the funding agreement is reviewed.
- 4.3 That the Executive also consider the merits of moving to a single, composite, annual payment to the THT.

### **5. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES**

- 5.1 “We will develop vibrant sports, arts and cultural facilities, showcasing the City of Carlisle”.

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**Appendices**

**attached to report:**

- Tulle House Trust Business Plan 2019-25
- LGA Productivity Expert Programme

**Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers:**

- **None**

## **CORPORATE IMPLICATIONS:**

**LEGAL** – The agreement between the Council and Tullie House Museum & Arts Gallery Trust requires that, as part of the grant funding process, the Trust submit a business plan for approval which both parties must use their best endeavours to agree by no later than 31 December of each year. In February, the Council approves its budget for 2020/21, as per normal, the following two years' grant is indicative only.

**FINANCE** – The Medium Term Financial Plan assumes provision for the core funding of the Tullie House Trust in accordance with the Funding agreement and includes reductions in core funding which have been previously approved. In line with standard procedures, further work is required in respect of the inflation calculation for 2020/21. The Medium Term Financial Plan assumes a phased introduction of recurring savings to the grant payable to Tullie House following receipt of a jointly commissioned report; this has been assumed at £100,000 from 2020/21, a further £50,000 from 2021/22 and a further £150,000 from 2022/23 resulting in recurring savings of £300,000 from 2022/23.

**EQUALITY** –

**INFORMATION GOVERNANCE** –



**TULLIE  
HOUSE**

**125 YEARS  
CARLISLE**



## **Tullie House Business Plan**

**2019/20 - 2024/25**

*Final Draft (v7), 17<sup>th</sup> September*

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# 1. Introduction: Vision, Mission, Aims and Objectives

## 1.1 Context: a period of change

Tullie House Museum and Art Gallery Trust operates and manages Tullie House Museum and Art Gallery in Castle Street, Carlisle, which is our principal place of business, and the Guildhall, a 14th century Grade I Listed building in the Greenmarket.

Additionally, the Trust occupies industrial premises for off-site collections storage, and in 2014 Carlisle City Council provided access to the adjacent Herbert Atkinson House in Abbey Street. This building is now used to house the Cumbria Biological Data Centre, the Programme & Development team and staff seconded by Lancaster University Confucius Institute.

All of these premises are leased by the Trust from Carlisle City Council, as are the collections. The Trust manages the buildings and collections on behalf of the City Council.

***This business plan sets out Tullie House's ambitions and plans for the next 6 years from 2019/20 to 2024/25.***

This period is set to be one of significant change for the museum, and will encompass three important strands of activity and development:

1. **The delivery of the first phase of *Project Tullie***, our masterplan to transform Tullie House Museum into the creative and cultural heart of the borderlands for the 21<sup>st</sup> century.
2. **The completion of Arts Council England's (ACE)** current cycle of investment in Tullie House Museum Trust, Wordsworth Trust and Lakeland Arts Trust as a consortium (CMC<sup>1</sup>) being funded until 2021/22 as a National Portfolio Organisation (NPO). During the period covered by this plan we will be making the case for continued NPO investment by ACE in the museum.
3. **To work in close partnership with Carlisle City Council to further reduce Tullie House's dependence on its core support** in a way that delivers long-term financial sustainability and enables Project Tullie to be delivered.

## 1.2 Vision and Mission

Tullie House Trust's **Vision** is:

*"To be a thriving, resilient organisation that delivers ambitious cultural programmes inspired by the richness and diversity of our collections, that are relevant and beneficial to local communities and visitors alike."*

Its **Mission** is:

*"To deliver an outstanding, inclusive and resilient museum that is a major cultural destination for the north, and which uses its collections to produce a world class public programme targeted at visitors and the people of Carlisle and engages a broad spectrum of audiences."*

## 1.3 Aims and Objectives

At the beginning of 2016 we introduced the *Tullie House Manifesto* and this forms the basis of all our work and, in particular, our two strategic priorities. **Community Engagement** is at the very heart of the Manifesto and we will work hard to ensure that our community influences what we do and how we do it. We will communicate better, involve more people and open up new opportunities for people to be inspired by the collections we hold.

Our other priority area – **Financial Sustainability** – is also underpinned by the Manifesto. Greater engagement will increase visitor numbers and therefore admission income and secondary spend. However, we have also been testing the market – asking our users what they want – and, providing we can secure the required funding, some of their responses will be implemented over the next three years. For example: the creation of a permanent Costume Gallery

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<sup>1</sup> Cumbria Museum Consortium

to show, for the first time, our world class textile collection and aimed at increasing audiences and providing contemporary interpretation as well as improved visitor facilities.

We recognise the need to improve performance, gather data and respond to visitor needs; these are all strands within the Manifesto but the challenge is to weave community engagement and financial resilience together so that we can develop our role, connect better with our audiences and deliver inspiring and popular programmes.

In 2018 we set out our aims and objectives as follows:

○ **Aim 1: Financial Sustainability**

The CMC has secured NPO status from ACE for the period 2018 to 2022, however, the City Council has indicated that a reduction in the core grant is likely to be implemented in 2020/21. The Trust has therefore developed a strategy based on increasing income from both earned and contributed sources to plan for the potential reduction:

- Objective 1: Develop an organisational focus on generating greater earned income (including catering, retail and admissions)
- Objective 2: Improve management information so that we can better manage performance
- Objective 3: Secure funding to initiate a programme of capital developments designed to generate a significant increase in earned income
- Objective 4: Actively increase income from trusts, foundations, individuals and corporates

○ **Aim 2: Community Engagement**

The Trust sees developing its engagement programme as key to developing audiences – extending its reach and diversifying and growing the number of people interacting with the collections are core purposes that will also help make the organisation more sustainable.

- Objective 5: Focus on developing greater engagement with the Carlisle community
- Objective 6: Continue to work with the least engaged groups within Carlisle and the surrounding area
- Objective 7: Strengthening our Borderlands offer so that our collections can help people better understand our unique region, Hadrian's Wall and significance of Carlisle as a destination city
- Objective 8: Develop international audiences from China or with communities interested in Chinese culture

Within these eight objectives is a schedule of specific actions and priorities (see our current Action Plan, Appendix I). The Action Plan includes the ACE CMC commitments, some of which are shared across the consortium.

## 1.4 Project Tullie

**Project Tullie**, our masterplan to *transform Tullie House Museum into the creative and cultural heart of the borderlands for the 21<sup>st</sup> century*, is central to this business plan. Although the capital costs fall outside the revenue budgets presented here, the delivery of the project is crucial in our ability to fulfil many of the aims and objectives outlined above, notably:

	Tullie House Objective	Project Tullie Outcome
Objective 1	Develop an organisational focus on generating greater earned income (including catering, retail and admissions)	Significant improvement in visitor experience and facilities, increasing visitor numbers and spend
Objective 4	Actively increase income from trusts, foundations, individuals and corporates	Improvement in the range and quality of activities, providing more fundable opportunities

Objective 5	Focus on developing greater engagement with the Carlisle community	Improved visitor experience and facilities; improved education and community spaces; increased opportunities for co-curation and creative engagement
Objective 6	Continue to work with the least engaged groups within Carlisle and the surrounding area	As above
Objective 7	Strengthening our Borderlands offer so that our collections can help people better understand our unique region, Hadrian's Wall and significance of Carlisle as a destination city	Engaging the community to help redisplay the collections, display of more relevant collections and tell inspiring stories

In Summary, *Project Tullie* has Outcomes focused on three themes:

**People**

Creating a sense of inclusivity and community, being a catalyst for creative engagement

**Place**

Re-imagining the original purpose of Tullie House as Carlisle's centre of arts, learning and knowledge

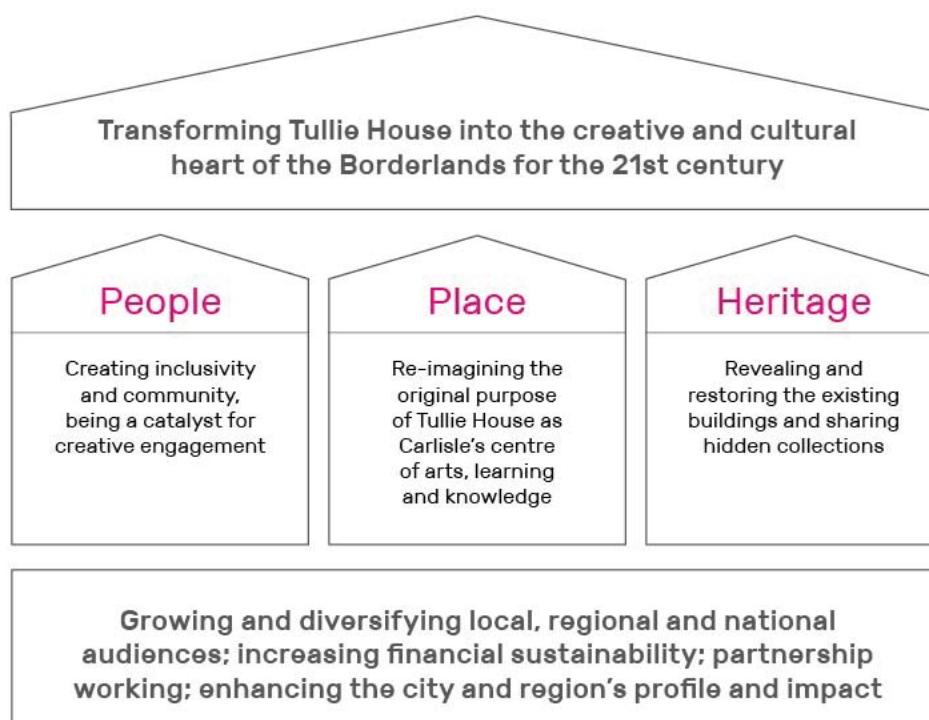
**Heritage**

Revealing and restoring the existing buildings and sharing hidden collections

These themes are founded on:

- growing and diversifying local, regional and national audiences;
- increasing financial sustainability;
- partnership working;
- enhancing the city and region's profile and impact

The following graphic summarises the vision for *Project Tullie*:



**Figure 1**

*Project Tullie Vision, Outcomes and Foundations*

### 1.5 Business Plan KPIs

During the period of this business plan Tullie House will grow and develop as an institution, safeguarding its current strengths and improving its financial sustainability, developing new audiences, attracting more visitors and engaging local people and visitors alike.

In order to provide a headline picture of desired change and in order to track progress against ‘what success will look like’, the following KPIs have been adopted by the board:

KPI	Current (2018/19 Actual)	By 2022 (post-Costume Gallery)	By 2025 (post-Project Tullie)
Visitor Numbers	40,743	50,900	80,000
Learning Programme Numbers <sup>2</sup>	33,176	36,575	45,000
Net Promoter Score <sup>3</sup>	81	85	91
Visitor types: increasing the proportion of harder to reach audiences	Facebook Families: 7%	Facebook Families: 9%	Facebook Families: 14%
Admissions income (£/% of total)	£130,000 / 7%	£240,000 / 12%	£500,000 / 21%
Trading income (net) (£/% of total)	£76,000 / 4%	£117,000 / 5%	£178,000 / 8%
Council funding / contract (% of total)	49%	43%	38%

### 1.6 Developing our business model: an overview

Tullie House operates a mixed business model, combining earned income from admissions and trading with core contract / grant income from Carlisle City Council and Arts Council England and raised income from various charitable sources.

As a result of the proposed changes to the museum and expected changes in the external environment, it is anticipated that both the amount and proportion of these income streams will change. There will be an increased emphasis on growing admissions and trading income, with relatively static (and in some cases reducing) support from elsewhere. Detailed figures are described in the plan and presented in Sections 6,7 and 8 and Appendix II. The table on the following page shows how we expect the business model (income and expenditure) to change from the most recent full year to the final year of this plan.

<sup>2</sup> Consisting of engagement numbers of schools, families, young people, community, talks and outreach programme

<sup>3</sup> National measure, from –100 to +100; Tullie House is well above national average



## Summary of Projected Income & Expenditure 2019/20 – 2024/25, Primary Scenario

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	Costume Gallery			Project Tullie		
	Opens			Construction	Completion	
Inflation	2%	2%	2%	2%	2%	2%
	1.00	1.02	1.04	1.06	1.08	1.10
	Budget	Estimate	Estimate	Estimate	Estimate	Estimate
	NPO Y2	NPO Y3	NPO Y4	NPO Y1	NPO Y2	NPO Y3
Footfall	250,000	250,000	250,000	250,000	0	250,000
Ticketed Admissions	40,743	52,966	50,929	50,929	0	84,000

### Income

Core Funding	1,440,234	1,328,437	1,310,129	1,293,370	1,327,111	1,345,109
Other grants & sponsorship	821,358	160,000	163,000	166,060	169,181	177,365
Admissions	142,477	253,188	243,643	248,416	0	518,568
Trading (net of direct costs)	88,500	106,632	117,356	120,654	1,447	178,967
Learning income	37,000	37,762	38,518	39,288	0	40,875
Talks and other income/charges	13,000	13,260	13,525	13,796	0	30,308
Interest and investments	6,000	6,000	6,000	6,000	0	500
Central Charges	51,000	51,000	51,000	51,000	51,000	51,000
<b>Total Museum income</b>	<b>2,599,569</b>	<b>1,956,279</b>	<b>1,943,171</b>	<b>1,938,584</b>	<b>1,548,738</b>	<b>2,342,692</b>
CBDC gross income	87,303	88,723	90,171	91,649	93,156	94,693
<b>Total income</b>	<b>2,686,872</b>	<b>2,045,002</b>	<b>2,033,343</b>	<b>2,030,233</b>	<b>1,641,894</b>	<b>2,437,385</b>

### Expenditure

Staffing costs	£976,252	£952,163	£911,300	£941,752	£1,002,850	£1,074,747
Exhibitions and projects	987,840	294,890	297,890	300,950	144,890	307,255
Utilities	143,000	148,720	154,669	160,856	80,428	188,700
Operational expenditure	444,660	452,705	461,643	470,986	480,298	505,368
Central costs allocated to trading	92,152	93,995	95,874	97,792	114,313	105,559
Capital Renewal allowance	0	0	0	0	0	25,000
<b>Total Museum expenditure</b>	<b>£2,643,903</b>	<b>£1,942,473</b>	<b>£1,921,377</b>	<b>£1,972,335</b>	<b>£1,822,779</b>	<b>£2,206,628</b>
CBDC Costs	£94,215	£93,137	£95,000	£96,900	£98,838	£100,815
<b>Total Expenditure</b>	<b>£2,738,118</b>	<b>£2,035,610</b>	<b>£2,016,377</b>	<b>£2,069,235</b>	<b>£1,921,617</b>	<b>£2,307,443</b>
<b>Surplus (Deficit)</b>	<b>(£51,246)</b>	<b>£9,392</b>	<b>£16,966</b>	<b>(£39,003)</b>	<b>(£279,723)</b>	<b>£129,942</b>

Contingency allowance	£0	£0	£0	£0	£25,000
Contribution to reserves	£9,392	£16,966	(£39,003)	(£279,723)	£52,471
Investment in Project Tullie later phases	£0	£0	£0	£0	£52,471



## Note on capital expenditure

- Capital income and expenditure in 2019/20 on the Costume Gallery is *included* (in *Other Grants and Sponsorship* (income) and *Exhibitions and Projects* (expenditure))
- Capital income and expenditure on *Project Tullie* is *excluded*; we have not included estimates of future capital costs given their likely scale and provisional nature of amounts and timing.

### 1.7 Reserves during the period of the business plan

In the primary scenario the Museum's reserve position during the period of the business plan is projected to be as follows. In the event of reaching our primary scenario target of an average of 80,000 ticketed visits each year, it is anticipated that the Museum will take about six years after the completion of *Project Tullie* to replenish its reserves to current levels. This allows for elements of annual surpluses to be allocated to contingency and investment in future phases of *Project Tullie*, as well as reserve replenishment. For this reason, it is important for the Trust to be able to build a model which delivers surpluses to support these three key ambitions.

The impact on reserves of alternative scenarios is outlined in Section 9 of the Business Plan.

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	Costume Gallery Opens			Project Tullie Construction Completion		
<b>Surplus (Deficit)</b>	<b>(£51,246)</b>	<b>£9,392</b>	<b>£16,966</b>	<b>(£39,003)</b>	<b>(£279,723)</b>	<b>£129,942</b>
Contingency allowance	0	0	0	0	0	25,000
Contribution to reserves	0	9,392	16,966	(39,003)	(279,723)	52,471
Investment in Project Tullie later phases	0	0	0	0	0	52,471
<b>Unrestricted plus designated b/fwd</b>	<b>423,238</b>	<b>444,721</b>	<b>454,113</b>	<b>471,079</b>	<b>432,077</b>	<b>152,354</b>
<b>Profit / (Loss) in the year</b>	<b>27,665</b>	<b>9,392</b>	<b>16,966</b>	<b>(39,003)</b>	<b>(279,723)</b>	<b>52,471</b>
<b>Expenditure from prior year allocation</b>	<b>(6,182)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Unrestricted plus designated c/fwd</b>	<b>444,721</b>	<b>454,113</b>	<b>471,079</b>	<b>432,077</b>	<b>152,354</b>	<b>204,825</b>
<b>Restricted b/fwd</b>	<b>183,234</b>	<b>18,000</b>	<b>18,000</b>	<b>18,000</b>	<b>18,000</b>	<b>18,000</b>
<b>Profit / (Loss) in the year</b>	<b>(72,000)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Expenditure from prior year allocation</b>	<b>(93,234)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Restricted c/fwd</b>	<b>18,000</b>	<b>18,000</b>	<b>18,000</b>	<b>18,000</b>	<b>18,000</b>	<b>18,000</b>
<b>CBDC designated b/fwd</b>	<b>91,151</b>	<b>84,239</b>	<b>79,825</b>	<b>74,996</b>	<b>69,745</b>	<b>64,063</b>
<b>Profit / (Loss) in the year</b>	<b>(6,912)</b>	<b>(4,414)</b>	<b>(4,829)</b>	<b>(5,251)</b>	<b>(5,682)</b>	<b>(6,122)</b>
<b>CBDC designated c/fwd</b>	<b>84,239</b>	<b>79,825</b>	<b>74,996</b>	<b>69,745</b>	<b>64,063</b>	<b>57,941</b>
<b>Total reserves b/fwd</b>	<b>697,623</b>	<b>546,960</b>	<b>551,938</b>	<b>564,076</b>	<b>519,822</b>	<b>234,417</b>
<b>Total movement</b>	<b>(150,663)</b>	<b>4,978</b>	<b>12,137</b>	<b>(44,254)</b>	<b>(285,405)</b>	<b>46,349</b>
<b>Total reserves c/fwd</b>	<b>546,960</b>	<b>551,938</b>	<b>564,076</b>	<b>519,822</b>	<b>234,417</b>	<b>280,766</b>

#### Notes on the above table

- 2020/21, 2021/22 - Projected break-even – impact of the new Costume Gallery mitigates 1st two years of Council grant reduction;
- 2022/23 – Deficit, resulting from the impact of the final year of the projected £200k Council grant reduction;
- 2023/24 - Lost income during construction requires unrestricted reserves to underwrite the museum's operation;
- 2024/25 onwards - Reserves begin to be rebuilt to sustainable levels (as per Charity Good Governance Guidance) from post-*Project Tullie* surplus;
- Unrestricted reserves (excluding CBDC) will fall to below the level of fixed assets in 2023/24 (so that cash flow will become more of an issue) as well as being below our target range to manage risk.

## 2. Context: Current Audiences, Commercial Overview, Governance and Staffing

### 2.1 Visitor numbers, market penetration

Cumbria Tourism data suggests that 22.5% of visitors to the Carlisle Region attended a Museum (compared to 14% of visitors to Cumbria as a whole), while Audience Agency research suggests that 25% of residents within a 30-minute drive of Carlisle city centre have visited a museum in the last 12 months.

In 2017/18 the Museum attracted 43,370 paying visitors. This equated to only 1% penetration of the market for visitors to the Carlisle Region with a propensity to visit a museum. There was a much higher penetration of local audiences, around 29%, assuming local visitors visited on average twice during the year.

Whilst these statistics clearly show the potential that the museum has to attract more visitors it should also be noted that cross referencing data from two sources can result in misleading assumptions. Tourists, for example, who are 'walking the Wall' may generally visit museums but are unlikely to be motivated to do so when undertaking a time driven walking expedition.

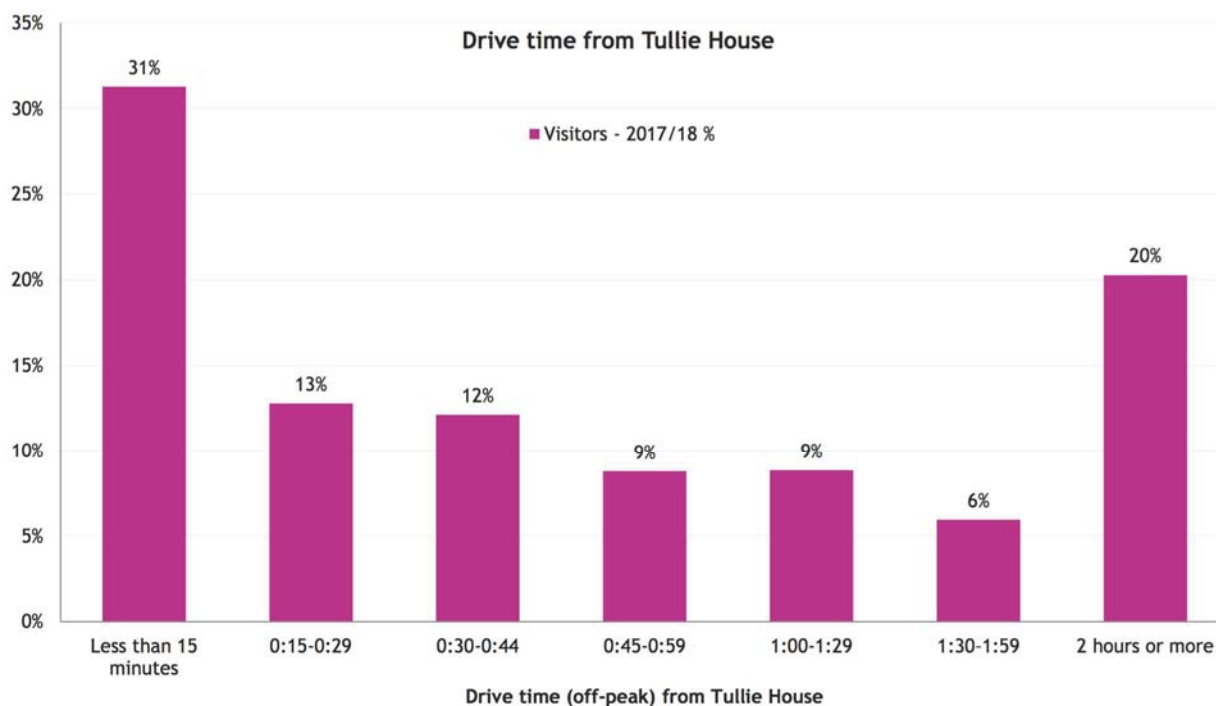
#### 2.1.1 Local visitors

Carlisle is the urban capital of the County of Cumbria with a population estimated at 107,000. The city is the centre of an economic region serving 500,000 people who live in Cumbria, Northumberland and Southern Scotland.

Tullie House is a well-used local resource with a good penetration of local audiences.

Audience Agency analysis of 2017-18 Gift Aid data suggests that around 44% of ticketed visitors were from within a 30-minute Drive Time.

### Drivetime



This represents a conversion rate of the local population of 14% (7.3% assuming 2 visits per annum). If we consider the section of the population who are likely museum attenders, the penetration rate is 57% (28.7% assuming 2 visits per annum).

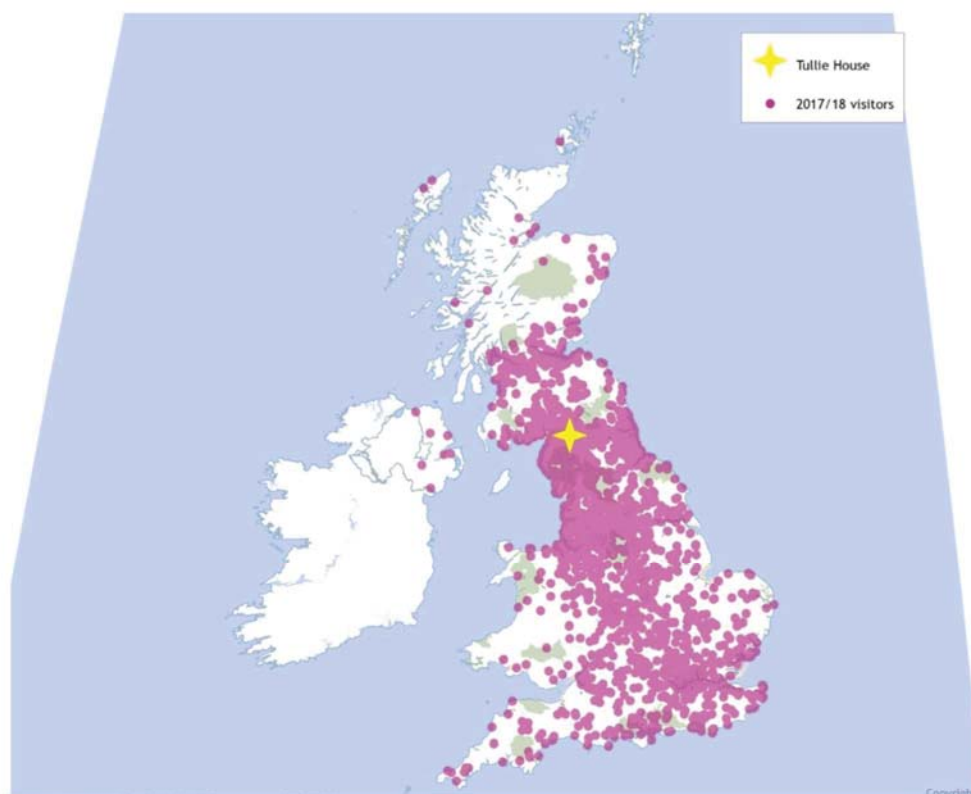
#### Audience breakdown and market penetration, 2017-18

<u>Visitor penetration rates</u>	Breakdown (%)	Paying visits (#)	Total Market size (#)	Penetration Paying (%)	Museum Attenders (%)	Likely Market size (#)	Museum Attenders Penetration (%)
<b>Total visitors (current)</b>	<b>100.0%</b>	<b>43,370</b>					
Visitors from beyond 30 mins	56.00%	24,287	9,394,000	0.26%	22.5%	2,113,650	1.1%
30 minute DT (Carlisle City council residents +) (Excludes U15s)	44.0%	19,083	130,536	14.62%	25.5%	33,234	57.4%
Local penetration rates assuming 2 x visits p.a. per visitor				7.31%			28.7%

#### 2.1.2 Visitors to Carlisle

Tullie House already has a wide reach in attracting tourism visitors to Carlisle. Analysis of post-codes of ticketed visitors to the museum who opted to Gift Aid admissions during 2017-18 shows a national spread across the UK:

### Pinpoint map



**Figure 2**

Map showing postcodes of visitors to Tullie House in 2017/18 (Audience Agency research)

Analysis of the same data revealed that 35% of visitors came from further afield than a 1hr drive time and 20% came from more than 2 hours drive time from Carlisle.

Nevertheless, with an improved offer, Tullie House has the potential to be much more significant as tourism attractor than is currently the case.

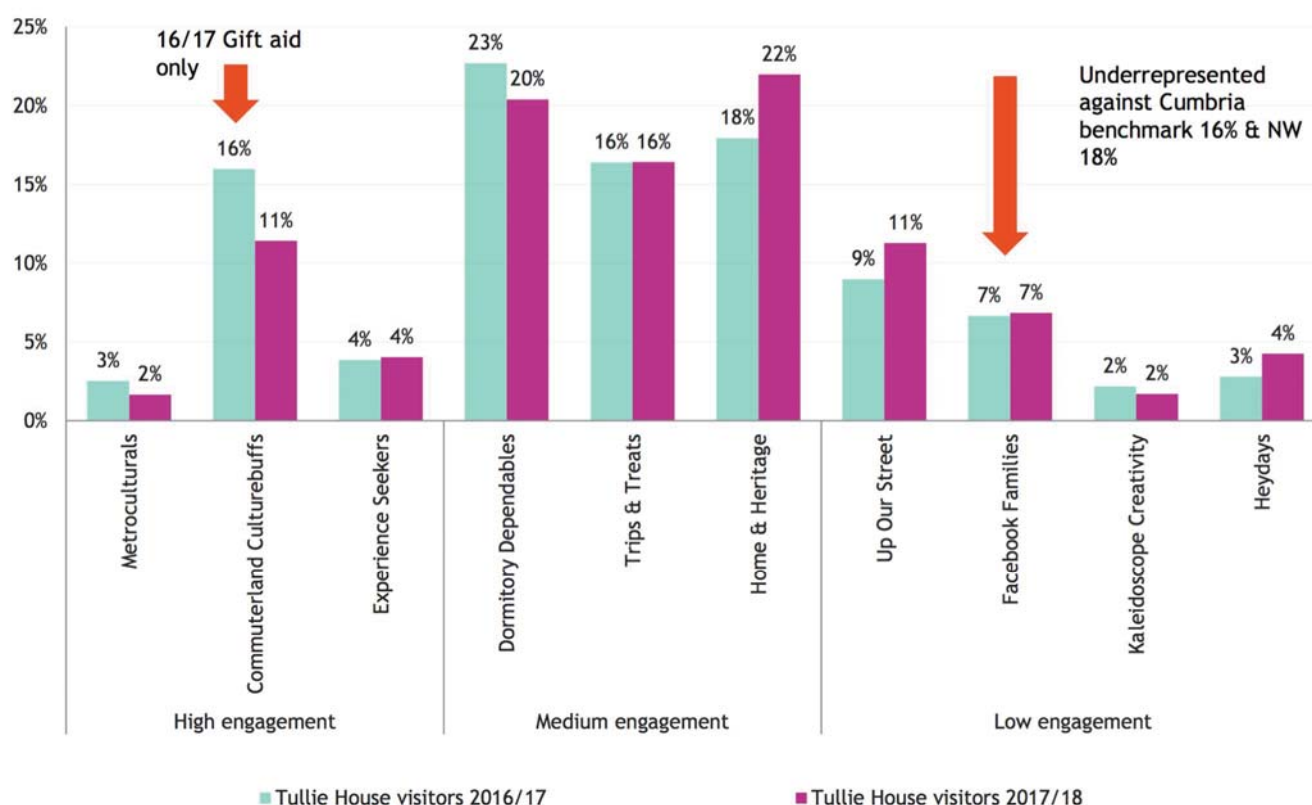
In 2017/18 the Museum attracted 43,370 paying visitors. This equated to only 1% penetration of the market for visitors to the Carlisle Region with a propensity to visit a museum (noting the caveat in 2.1).

### 2.1.3 Audience Profile

Audience Spectrum segments the whole UK population by their attitudes towards culture, and by what they like to see and do. There are 10 different Audience Spectrum profiles that can be used to understand who lives in a local area, what current audiences are like, and what could be done to build new ones.

Audience Agency analysis of ticketed visitors to Tullie House by postcode reveals that the museum is successful in appealing to demographics with a high and medium propensity to engage with museums.

## Audience Profile - Ticketing (postcode analysis)



Looking at the available data for 2017/18 on the Tullie House audience, the five most highly represented segments are:

- Dormitory Dependables
- Trips and Treats
- Home and Heritage
- Commuterland Culturebuffs
- Up our Street

In addition, there is great potential to focus on 'Facebook Families' which were represented well in the previous year and are an audience present in Carlisle which Tullie House would like to attract more often, despite the challenges that this audience have in attending cultural venues (*See Appendix V for a description of these audience segments*).

In the future, Tullie House requires its interpretation to look to offer a solid family-friendly experience for the local

and loyal 'Trips and Treats' audience and reach out to attract more 'Facebook Families'. With good planning, this can be achieved while continuing to cater to the needs of the local and visiting 'Dormitory Dependables', local 'Home and Heritage' and 'Up our Street' and visiting 'Commuterland Culture buffs'.

## 2.2 Paying visitors

### Recent Performance

In 2017/18 Admissions and associated Gift Aid accounted for £149,929 from 43,370 ticketed visitors.

In 2018/19 the equivalent figure was £118,001 from 40,743 visitors.<sup>4</sup>

In 2018/19 the split of ticketed visitors was as follows:

Ticket type	% of total ticketed admissions
Annual Ticket purchase	11.5%
Day Ticket	35.6%
Annual Ticket Re-admission (free)	19.6%
Child (Free)	25.7%
Other Free of Charge	7.7%

### Future assumptions

In formulating the projections for visitor income in this plan, we have assumed the same split between paying and free ticketed visitors. However, from 2020 the Museum is proposing to move to the Annual Pass Gift Aid model, which will mean that separate day tickets are effectively phased out, with a single annual pass available. This will serve to:

- Increase yields on ticket sales;
- Simplify admissions charges for visitors (research reported confusion about the different ticket types);
- Increase income from tourist visitors with minimum impact on local audiences (many of whom already purchase annual tickets)

We will continue to offer free admission for under 18s (see Section 6.1 for rationale).

## 2.3 Other commercial assumptions

Detailed analysis of future trading income is included in Section 6.2 below.

### Shop

The museum shop will continue to be run in-house. There will be some small-scale improvements made in the first year, with significant improvements made following *Project Tullie*. These will include better positioning, presentation, visibility and sightlines, combined with secondary outlets throughout the building and commercial stock based on aspects of the museum's collections that will be revealed through *Project Tullie* (for example natural history and fine and decorative arts).

### Café

A third-party operator currently runs the Museum's café (see 6.2.2). The café recently benefited from a relatively superficial makeover and will continue to be run by an independent operator. Following the delivery of *Project Tullie* there will be an improved and more focused catering offer, including a setting in line with customer expectations, better use of the garden and the development of a seasonal evening bar offer. This will enable the café to benefit from increased visitor numbers and conversion rates, as well as being a local attraction in its own right.

## 2.4 VAT

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<sup>4</sup> Higher visitor numbers in 17/18 was a result of the successful Percy Kelly exhibition that year.

Tullie House is VAT registered and has opted out of the Cultural Exemption Scheme.

VAT is charged on all admissions, ticketed activities, trading activities and service agreements with the Local Authority. As a result, all VAT incurred on expenditure is recovered.

## **2.5 Governance and management**

In 2011 Carlisle City Council transferred the management of Tullie House to a new charitable trust – Tullie House Museum and Art Gallery Trust. At the same time the employment contracts of Tullie House staff were transferred from the City Council to the Trust. The Trust was incorporated on 17 March 2011. It became a registered charity on 3 August 2011 (charity registration number 1143235). The charity's object is, "to advance the education of the public, including an understanding and appreciation of the arts, sciences and history".

The charity has a subsidiary trading company, Tullie House Museum and Art Gallery Trust (Trading) Limited, a private limited company that was incorporated on 19 July 2011 (company registration number 07710513). All receipts from trading (excluding admissions) are received by the trading company and any profits are gift-aided back to the museum.

The Trust operates and manages Tullie House Museum and Art Gallery – its buildings and collections – on behalf of the City Council.

The City Council continues to provide core funding to the Trust, in the form of annual grants, which are agreed on the basis of a rolling three-year business plan prepared by the Trust. A series of 30-year legal agreements commencing in 2011 underpins key aspects of the operational and contractual relationship between the Trust and the City Council.

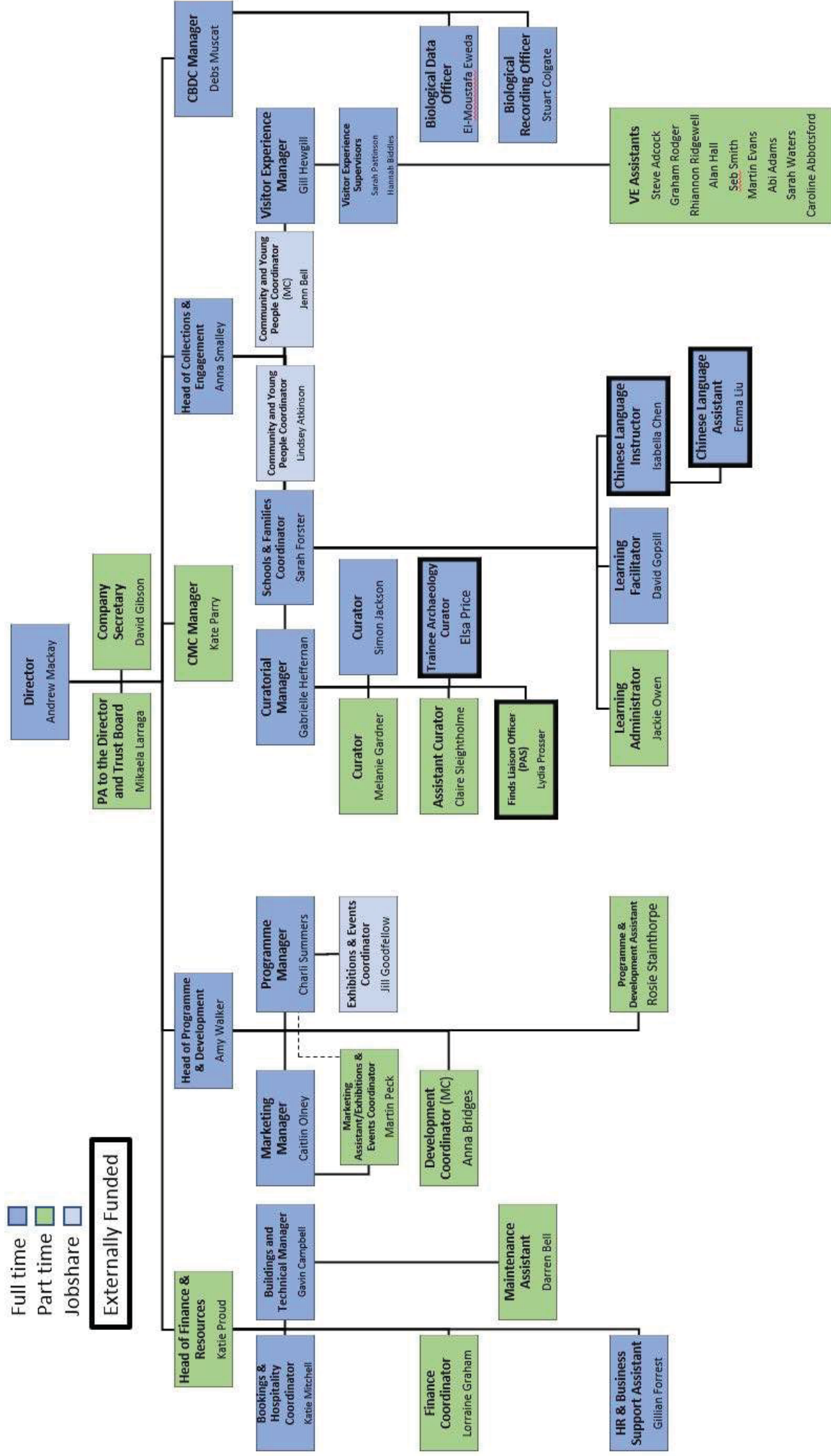
The Board of Trustees is comprised of between 6 and 15 members (currently 11), including two appointed by the City Council and the Director of Tullie House. The Trustees agree the Trust's business strategy, business plans and key museological and administrative policies. They also agree financial and risk management policies and review performance. There are three board committees; an audit and risk committee comprising four Trustees which oversees financial risk and controls, a development committee comprising six Trustees which is examining new methods of raising income and donations and an appointments and remuneration committee comprising three Trustees which reviews the Trust Director's pay and performance and makes recommendations on new Trustee appointments.

## **2.6 Staff structure**

There are currently 47 staff full- and part-time staff at Tullie House, with an FTE of 36.6.

The following chart shows the current management structure at the Museum:





Following significant budget reductions in local government spending since 2010 (a reduction of more than £400,000 per annum imposed on Tullie House over recent years) there are a number of areas of work in which the Museum is in need of additional capacity:

- Fundraising: lack of dedicated staff resource impacts on the ability of the Tullie House to develop philanthropic income and maximise external funding;
- Marketing and digital: lack of capacity and expertise affects ability to reach new audiences, particularly those from priority segments with a lower propensity to engage with culture;
- Curatorial and Learning: especially linked to the development of *Project Tullie*
- Resource Management: especially with finance in light of the capital programme, ACE NPO management and complex grant awards
- Volunteer Management: limits opportunities for increasing volunteering

The nature of the Tullie House estate means that staff are housed in small offices in different locations within the museum. Many of the spaces are not fit-for-purpose and, as a whole, the working environment inhibits rather than facilitates cross-team collaboration.

### 3. Context: Local and National Policy

Over the coming years Tullie House and *Project Tullie* will contribute to a wide range of local, regional and national strategic objectives held by local and national government:

#### 3.1 Carlisle City Council, *Carlisle Plan 2015-18 (2015)*

The City Council's vision, as set out in the Carlisle Plan, is to:

*"Improve the health, wellbeing and economic prosperity of the people of Carlisle"*

The second of the five priorities in the Plan is to:

*"Further development of sports, arts and cultural facilities to support the health and wellbeing of our residents"*

The Plan describes how,

*"This will help to make Carlisle an attractive prospect to investors and new residents. We are committed to supporting the city centre and visitor economy through our vibrant events programme, and promoting the city's culture and heritage."*<sup>5</sup>

#### 3.2 Carlisle City Council, *Carlisle District Local Plan 2015-30 (2015)*

The Local Plan's vision for Carlisle District in 2030 is for a place that,

*"People are attracted to visit, live, work, invest and importantly remain... a key driver of which is the setting of the historic City."*<sup>6</sup>

Project Tullie will deliver against a number of the Local Plan's Strategic Objectives:

##### ***Economy:***

*Measures to enhance [Carlisle's] role as a sub-regional...cultural destination.*<sup>7</sup>

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<sup>5</sup> *Carlisle Plan 2015-18*, p4

<sup>6</sup> *Carlisle Plan 2015-18*, p2

<sup>7</sup> *Carlisle Plan 2015-18*, p12



**Historic Environment:**

*To conserve, enhance and promote Carlisle's heritage and important historic landscapes whilst ensuring that development proposals respect and enhance Carlisle's historic assets.<sup>8</sup>*

Tullie House will also play a significant role in delivering two of the policies outlined in the Local Plan:

**Policy SP 7 - Valuing our Heritage and Cultural Identity**

*Opportunities will also be pursued, to aid the promotion, enjoyment, understanding and interpretation of both heritage and cultural assets, as a means of maximising wider public benefits and in reinforcing Carlisle's distinct identity.*

This policy recognises that, "Key elements which contribute to the distinct identity of Carlisle District, and which will therefore be a priority for safeguarding and enhancing into the future, include: key cultural assets encompassing parklands, landscapes, museums, art galleries, public art, local food and drink and local customs and traditions"

In addition, the Council will, "promote heritage-led regeneration including in relation to development opportunities in the City Centre;"

**Economic Policy EC9 - Supporting Arts, Culture, Tourism and Leisure Development**

*The tourism, arts, cultural and leisure sectors are vitally important to Carlisle as generators of economic prosperity, employment and enjoyment. It is essential that the potential of these sectors is promoted and supported to ensure the continued growth of the economy and cultural horizons of the District" (Economic Policy EC9).<sup>9</sup>*

**3.3 Borderlands**

The 'Borderlands Initiative' was established in 2013 to facilitate co-operation across the Scotland- England border in recognition of the interrelationship (economically and socially) between these areas. The Initiative was jointly created by Carlisle City Council, Cumbria County Council, Dumfries and Galloway Council, Northumberland County Council and Scottish Borders Council in order to exploit and develop mutual economic and social links, and to develop a common 'voice' to influence the UK and Scottish Governments.

The 'Borderlands Inclusive Growth Deal' will attract investment into the area, involving the development of projects to be presented to both the UK and Scottish Governments in a bid for capital funding.

Carlisle is a key point in the Borderlands narrative – the region's only City and at the crossroads of two of the identified growth corridors: the Western Borderlands Corridor and the Southern Borderlands Corridor

**Borderlands Inclusive Growth Proposition (2018)**

The Borderlands Inclusive Growth Proposition includes the desire to create, an agile platform upon which to diversify the region's economic bases including tourism and learning.<sup>10</sup>

One of the Proposition's five key strategic themes is:

*"Investing in both our people and places to build on the traditional strengths of our towns and the Historic City of Carlisle, connecting the heritage of our proud, if at times controversial, past - symbolised by physical structures such as the Citadel and Hadrian's Wall, with an agile and flexible future making the most of cross-border collaborations."<sup>11</sup>*

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<sup>8</sup> Carlisle Plan 2015-18, p14

<sup>9</sup> Economic Policy EC9 supporting Arts Culture, Tourism and Leisure Development

<sup>10</sup> Borderlands Proposition, September 2017, p1

<sup>11</sup> Borderlands Proposition, September 2017, p2

### **3.4 Cumbria Local Enterprise Partnership, *The Four-Pronged Attack: Cumbria Strategic Economic Plan 2014-2024***

Cumbria's strategic economic priorities are identified in Cumbria's Strategic Economic Plan (SEP)<sup>12</sup>. One of the LEP's priorities is, "*A vibrant rural and visitor economy* "

### **3.5 Cumbria County Council**

Cumbria County Council recognises the value that culture plays in the economy and in the health and wellbeing of the community. In addition to incorporating arts & culture into the draft Public Health Policy, the County has been instrumental (via leadership and funding) in setting up the Cumbria Arts and Culture Network, now a sector led voluntary organisation that seeks to advocate on behalf of the county's vibrant and resourceful cultural economy and support its development. The Network's mission is to work together to deliver a diverse, innovative, resilient and high-quality cultural offer in Cumbria, supporting economic development and wellbeing through high levels of participation, engagement and social inclusion.

Tullie House is not only a founding member of the Network it is also a member of the Steering Group.

### **3.6 University of Cumbria**

Tullie House has a Memorandum of Understanding with the University of Cumbria and works collaboratively on a range of projects covering arts, history, creative writing, teaching, zoology, conservation and tourism. The University's Strategic Plan 2017-2020 entitled *Enriching People Through Place* aims to '...create spaces where our students want to spend time and enhance partner environments. We'll improve connections with off-campus learners, and to the culture that's already thriving in each location, looking beyond our campuses to link our students with the rich array of arts, culture and adventure on offer...'

Tullie House has ensured that the University of Cumbria is a key partner in the *Project Tullie* masterplan.

### **3.7 Northern Powerhouse**

The Northern Powerhouse strategy aims to address regional inequalities in the United Kingdom, particularly focusing on the historical lag in productivity in the North of England. The Northern Powerhouse is orientated towards improving infrastructure between cities and towns in the North, fostering entrepreneurship, and building on the strengths of its economies to improve its economic potential.

Cities such as Carlisle are identified as key enabling economies with complementary strengths that can contribute to the Northern Powerhouse agenda, including Carlisle with its sectoral strengths in tourism, retail, logistics and its good road and rail links.

*Project Tullie* forms part of this agenda as a key asset for developing tourism in the City and region.

### **3.8 Arts Council England: *Achieving Great Art and Culture for Everyone***

Developing and renewing Tullie House, its programmes and its organisation will contribute to all 5 of ACE's 10-year goals in *Achieving Great Art and Culture for Everyone*:

- Goal 1: Excellence is thriving and celebrated in the arts, museums and libraries.
- Goal 2: Everyone has the opportunity to experience and be inspired by the arts, museums and libraries.
- Goal 3: The arts, museums and libraries are resilient and environmentally sustainable.
- Goal 4: The leadership and workforce in the arts, museums and libraries are diverse and appropriately skilled.
- Goal 5: Every child and young person has the opportunity to experience the richness of the arts, museums and libraries.

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<sup>12</sup> Cumbria Local Enterprise Partnership, *The Four Pronged Attack: Cumbria Strategic Economic Plan 2014-2024*, 2014

## 4. SWOT

<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>– Strong footfall</li> <li>– Collections, particularly Natural Sciences and Hadrian's Wall archaeology</li> <li>– Council supportive of the museum</li> <li>– Cumbria LEP Creative &amp; Cultural Panel, County Council Arts &amp; Culture Network and Carlisle Culture</li> <li>– Culture embedded in public health agenda</li> <li>– Manifesto sets clear intent around co-creation, diversity and income generation</li> <li>– County repository for archaeology</li> <li>– CBDC</li> <li>– Some new acquisitions, CAS funded</li> <li>– Learning programme strong (but facilities inadequate), success of YP is important for ACE</li> <li>– Partnership working – Cumbria Museums Consortium, University, BM, Prism Arts, Borderlines etc.</li> <li>– Strong stakeholder support for <i>Project Tullie</i></li> </ul>	<p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>– Brand – still considered part of LA / not a charity</li> <li>– Paywall still an issue for some</li> <li>– Lack of awareness among visitors of the full range of activities of the museum</li> <li>– 'Not for me' attitude amongst a part of the local population</li> <li>– Carlisle not necessarily perceived as a City of Culture</li> <li>– Staff capacity</li> <li>– Current displays are in one continuous gallery therefore incremental / small scale improvements difficult</li> <li>– Current galleries don't make it easy to add collections due to way they are planned / themed</li> <li>– Storage poor and in the wrong places</li> <li>– Quality of catering</li> <li>– Not set up to be a volunteer museum</li> <li>– Office space an issue</li> <li>– Small membership scheme</li> <li>– Learning facilities inadequate / capping income opportunities. Income covers direct but not staff costs</li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>– Footfall conversion</li> <li>– Crosby Garret effect (2011) showed it is possible to generate interest and funding (£2m raised)</li> <li>– Creating a brand for Carlisle as a great place to live/stay</li> <li>– Opportunity around Borderlands – funding and Tullie House brand development</li> <li>– Getting more on display, Costume Gallery, and <i>Project Tullie</i> as phase 1a</li> <li>– Newly designated Natural Science collection</li> <li>– Developing stories / engaging communities</li> <li>– Make the Carlisle-ness of the Museum more visible</li> <li>– Opportunities to develop catering</li> <li>– Retail only breaks even – opportunities to improve</li> <li>– Volunteering a big opportunity</li> <li>– World heritage site / UNESCO brand</li> <li>– Library / art school heritage represents a potential opportunity</li> <li>– Further expansion of the Patron Scheme</li> <li>– Carlisle Culture strategic approach to developing investment in city</li> <li>– CBDC with Natural Science collections</li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>– Funding reduction from the Council</li> <li>– Support already cut from £1.2m going down to £800k</li> <li>– Staff burnout due to lack of resources</li> <li>– Succession issues</li> <li>– Staff capacity</li> </ul>

## 5. Programme overview

This section provides an overview of how our main programme activity will develop over the next five years in pursuit of our aims and objectives.

### 5.1 Project Tullie Masterplan

#### 5.1.1 Summary of Project Tullie Masterplan

In summer 2018, following the award of a Resilient Heritage Grant by the Heritage Lottery Fund (now NLHF), Tullie House appointed a consultant team comprising of Carmody Groarke (architects) and Counterculture (business planning) to work with staff and trustees on the development of the *Project Tullie* Masterplan.

The masterplan, developed and costed to RIBA Stage 1+, was completed in July 2019. The masterplan developed a brief for the long-term development of the Museum and its estate:

- Foregrounding the *Tullie House Manifesto* vision and developing a clear brand
- Building audiences and improving the visitor experience
- Enabling more community and learning activity
- Developing commercial income: Tullie House as a destination
- Unlocking the estate: circulation, visibility
- Revealing historic collections
- Revealing historic buildings and interiors
- Sustainable and resilient staffing to match the ambitions of the Manifesto

A comprehensive series of interventions is proposed in the masterplan to address:

- Collections displays and interpretation
- Visitor experience
- Circulation and access
- Commercial facilities
- Learning and community facilities
- Collections management and storage
- Staff accommodation and facilities
- Signage and way finding, relationship with the surrounding urban fabric and townscape

The masterplan acknowledges that a phased approach is required to address these improvements due to the collective cost of the proposals. It is our ambition the work towards the delivery of Phase One, as outlined below, in the period of this business plan.

#### 5.1.2 Summary of Phase 1

Phase One of *Project Tullie* delivers a wide range of physical improvements and organisational, visitor and programme outcomes:

##### Summary of first phase physical improvements:

- Improved entrance with single main entrance/exit
- Remodelled central welcome area with enhanced visibility of collections and adjacent renewed retail offer
- Refurbished and expanded catering and events space, with direct access to garden terrace and independent entrance for out of hours use
- Ground floor collections store to become Natural Sciences Gallery
- New build 'Garden Gallery' to provide vertical circulation at ground and first floor level along with new Gallery space and a lift for people and artworks. Access to 'Secret Garden' to the north of the museum also provided.

- Refurbishment of 1990s galleries on the first floor
- Restoration of ‘hidden’ 1893 art galleries on the first floor
- New fit for purpose accessible learning spaces

### 5.1.3 Cost

The estimated cost of Phase 1 of *Project Tullie* is £16.8m (RIBA 1 cost estimate). A detailed cost plan is included in the masterplan.

### 5.1.4 Programme

A detailed programme for *Project Tullie* is included in the masterplan. The top level of the project timeline is as follows:

	2020-21	2021-22	2022-23	2023-24	2024-25
Development & Fundraising					
Procurement and Mobilisation					
Construction					
<i>Project Tullie</i> , Phase One, opens					

### 5.1.5 Outcomes

Phase One of *Project Tullie* delivers a range of outcomes against Tullie House’s Strategic Objectives.

	Tullie House Objective	Project Tullie Outcome
Objective 1	Develop an organisational focus on generating greater earned income (including catering, retail and admissions)	Significant improvement in visitor experience and facilities, increasing visitor numbers and spend
Objective 4	Actively increase income from trusts, foundations, individuals and corporates	Improvement in range and quality of activities, providing more fundable opportunities
Objective 5	Focus on developing greater engagement with the Carlisle community	Improved visitor experience and facilities; improved education and community spaces; increased opportunities for co-curating and creative engagement
Objective 6	Continue to work with least engaged groups within Carlisle and the surrounding area	As above
Objective 7	Strengthening our Borderlands offer so that our collections can help people better understand our unique region, Hadrian’s Wall and significance of Carlisle as a destination city	Redisplay of collections, display of more collections

### 5.1.6 Relationship to the financial projections in this plan

The capital cost of the works is excluded from the revenue business plan and cash flow. It will be treated as a stand-alone project, with the investment being capitalised on the accounts of the Trust as "leasehold improvements" and depreciated over the period of the lease.

This approach means that the income and expenditure projections of the Trust can be read from year-to-year on a like-for-like basis without the distortion that would be caused by large capital income and expenditure items.

## 5.2 Exhibitions and displays

### 5.2.1 Summary of aims of exhibitions programme

A new exhibitions strategy will be produced in 2019. In the meantime, temporary exhibitions are programmed on the basis of nine interlocking principles:

1. targeted at our recognised audiences (families, young people, over 50s, digital audiences)
2. consider the Creative Case for Diversity, be accessibility and be ethically sound, consistent with the aims and objectives of the Trust
3. reflect the museum's collections (art, archaeology, social history and natural sciences) and / or the collecting themes (landscape, people, environment and collectors), **or**
4. as part of the museum's educational role illustrate areas of human endeavour / the natural world that cannot be easily seen in Cumbria (eg. engineering, ethnography, science, technology and medicine) **or**,
5. consider income generating opportunities. Income generation should not be the key driver but should be a high priority
6. be produced to a high quality, reflecting the vision of the Trust and the standing of Tullie House as a nationally important, regional museum

Exhibitions can...

7. occasionally be challenging. The museum has a key responsibility within its constituency to be educational, to raise awareness and to stretch people's imaginations and understanding
8. occasionally be research driven using information from our own collections or from partner organisations
9. focus on individual artists or makers, or be group exhibitions

### 5.2.2 Summary of the temporary exhibitions programme 2020-2023

The Temporary Exhibitions Programme for calendar year 2019 and 2020 is included as Appendix III.

### 5.2.3 Plans for improvements to the permanent displays

#### 5.2.3.1 *Dressed to Impress*

In 2020 the Museum will deliver a new permanent display of its costume and textile collection in two Victorian galleries that were 'lost' in the 1990s. Despite having an outstanding collection, the Museum has never had a permanent costume gallery. The restored galleries will exhibit fully conserved nationally important collections with deep local roots, making accessible for the first time a truly inspiring assemblage of decorative art history.

The new galleries, called '*Dressed to Impress*', will be fit for 21<sup>st</sup> century audiences. They will feature innovative lighting, frameless display cases, transparent mannequins and digital interpretation to create a unique and innovative visitor experience.

The DCMS/Wolfson Museum Improvement Fund and Garfield Weston Foundation have funded the project, with additional funding applied for from the Cumbria LEP (decision pending).

#### 5.2.3.2 Project Tullie

The first phase of *Project Tullie* includes the renovation of a wide range of permanent exhibitions and the introduction of new displays of elements of the collection that have previously been under-represented.

The proposals respond to a number of challenges:

- The museum is well-used locally, but there are negative perceptions resulting from lack of historic investment
- Collection displays are dated and tired; they do not tell all the stories the collection has to offer in a way that is relevant and appealing to visitors.
- Aspects of the collection in which the audience are most interested: natural history, social history and fine art are either under-represented or relatively hidden or inaccessible, with opportunities for coherent storytelling and links across collections missed as a result.
- Lack of visibility of collections on the ground floor means the welcome/entrance does not feel like a museum and does not entice visitors to go further.

In summary the key changes will be:

- New natural science gallery in the 1893 building
- New art galleries
- Renewal of social history and borderlands galleries (1990s building)
- Introduction of museum displays to the Ground floor

#### 5.2.4 Audience development ambitions

##### Temporary Exhibitions

Temporary exhibitions are a key driver for ticketed admissions, with higher paying visitor numbers for particular exhibitions driving up annual results. Appendix III outlines the Temporary Exhibitions Programme and the target visitor numbers for calendar years 2019 and 2020. These are regularly reviewed by the museum's Programme Executive Group.

##### ***Dressed to Impress; new costume and textile gallery at Tullie House***

Temporary exhibitions featuring costume and textiles consistently produce large visitor numbers and have resulted in the demand for greater access to these important collections. Work with students from the University of Cumbria's Institute of the Arts, a costume volunteer programme and a community textile group have emphasised the need to 'reveal more' and make the collection more accessible to all.

We anticipate that, with appropriate marketing, the new costume gallery could increase ticketed visitor numbers to 50,000 in the first year after completion.

##### Project Tullie

Developing new and increased audiences is a key deliverable of *Project Tullie*. The *Project Tullie* Masterplan includes interpretation proposals a matrix of target audience segments with a rationale for how the revised galleries will appeal to these diverse audience groups.

A number of visitor number scenarios have been tested in our business planning work; in our primary scenario we expect that the Museum could attract c.80,000 ticketed visitors per year following the delivery of Phase 1 of *Project Tullie*.

#### 5.3 Learning and community

The Museum's Learning & Engagement Team has won awards for its service, including the Sandford Award for Excellence in Heritage Education (2013 and 2018) and the prestigious *Kids in Museums Family Friendly Award*, sponsored by the *Daily Telegraph*.

Tullie House offers a range of learning and community activities including, aimed at specified audience groups and segments, including:

- Workshops and activities in the museum for visiting school groups;
- School membership scheme including loan boxes, school assemblies and discounted museum workshops;
- Family programme in the Museum including *Discover and Create* Sundays, Tuesday Tales (U5s), a popular programme of Toddler sessions, Interactive trails and Special Events;
- Programme for children and young people including, Tullie Time Travellers (8-13) and the monthly Youth Panel (14-21).
- Programme for vulnerable adults including adults with mental ill health, adults with disabilities and adults with dementia

2018 saw the launch of the *Secret Garden*, a community outdoor space for less-engaged communities to learn about gardening, nature and environmental benefits. There are partnerships with local organisations that run services for adults dealing with addiction issues, homeless people and offenders in rehabilitation. The museum uses its



collections to start conversations and challenging discussions, in a safe environment, and help create a sense of pride in Carlisle for the people who live there.

The following table illustrates the ranges of programmes and audiences that are catered for, and the targets for participation in 2019-20:

Programme strand	Audience Segments	Participation rates	Measures	Tullie House Strategic Objectives
Families	Local Cumbrian (Facebook Families, Dormitory Dependables, Trips and Treats),  Tourist (Trips & Treats)	Target of 5% participation increase from 8,910 to 9,355	Engagement will be measured through either INCREASING numbers, BROADENING the range of participants or DEEPENING engagement.	<b>Objective 4:</b> Actively increase income from trusts, foundations, individuals and corporates  <b>Objective 5:</b> Focus on developing greater engagement with the Carlisle community  <b>Objective 6:</b> Continue to work with least engaged groups within Carlisle and the surrounding area  <b>Objective 8:</b> Develop international audiences from China or with communities interested in Chinese culture
Young People	Marketed via specific groups, networks and through referrals	Headline KPI of 300 participation days annually  This figure does <u>not</u> include engagement as part of the Hope Streets programme running to 2022 – no formal KPIs are attached to this funded programme, focus is on depth of engagement	BROADEN range and DEEPEN engagement	
Communities	Marketed via specific groups, networks and through referrals	Headline KPI – 600 participation days annually with vulnerable adults / adults with protected characteristics	BROADEN range of participants and DEEPEN engagement through increased curatorial involvement	
Local Adults	Kaleidoscope Creativity, Homes & Heritage, Dormitory Dependables	5% increase on 2018/19 baseline		
Schools	All schools sessions targeted via print and digital marketing	Headline targets for 2019/20 = 16,451 pupils and £31,000 income target	INCREASING pupil numbers and BROADENING range of participating schools	
Chinese Engagement Programme	Kaleidoscope Creativity, local adults, local Chinese-British families	Minimum of 8 hours teaching per week (Confucius Institute Target)		

The detailed Learning Programme for 2019-20, follows this structure and is included as Appendix IV towards the end of this Business Plan.



## 5.4 Volunteering

There are around 30 active volunteers at Tullie House at present. Individual departmental staff manage the volunteers under the guidance of the museum's Volunteer Policy, with HR keeping a record of information and emergency contact details. This works on a day-to day-basis but the absence of a volunteer co-ordinator post prevents the museum from developing volunteers and volunteering on a strategic level.

## 5.5 Collections Care

The collections and buildings at Tullie House are owned by Carlisle City Council and are managed by Tullie House Museum and Art Gallery Trust.

The curatorial team (consisting of a Curatorial Manager, two Curators, an Assistant Curator and an externally funded fixed contract archaeology curator trainee) carry out Collections Management duties. The team is responsible for the following:

- Managing the collections in the galleries and stores (including monitoring and upgrading as appropriate)
- Preventive conservation measures including quarantine for incoming material
- Appropriate marking of objects
- Research and documentation
- Condition checking new material and all loans
- Appropriate storage methods including the use of archival materials
- Storage and display cleaning programmes
- Pest management
- Appropriate movement, handling and display methods
- Installing exhibitions
- Delivering staff training on collections care/management
- Preparing collections care procedures and guidelines
- Disaster planning
- Managing the annual budget for collections care
- Arranging remedial examinations and treatment by approved conservators for objects usually destined for display or loan for exhibition
- Carrying out a broad collections level condition assessment used to implement the Collections Care Action Plan
- Regular inspections of the off-site store at Longtown and the Guildhall Museum
- Providing surrogate digital images of parts of the collections to use for handling purposes where appropriate
- Providing access and managing all research

The Museum has a *Collections Care and Conservation Action Plan* (2017-20). It is based on the Accreditation Guidance Notes for Collections Care, a structured Benchmarks Survey and PAS 197: 2009 for which we aim to meet Basic standards in 2017 and aspire to meet Good or Best standards over time as outlined in the Plan.

The resources identified in Section 7 of the Business Plan will be used to implement the objectives of this plan. A new plan is in preparation to cover the period from 2021 onwards and the resources identified beyond that date will be allocated in pursuit of its objectives.

## 5.6 CBDC

CBDC was originally the Tullie House Natural History Bureau established in memory of an eminent Victorian Natural Historian and founder of Tullie House Museum and Art Gallery – Rev Hugh McPherson. Its purpose was to collect wildlife information from across Cumbria and for a wide range of plants and animals and share it for the benefit of the public and scientific research. It was the first organisation ever to collect such a range of taxonomic groups across a significant geographical range.

Around 10 years ago the Government encouraged local authorities with wildlife and environmental data to set up and develop local record centres. The Natural History Record Bureau fitted this remit and CBDC was established to provide data services for the local authorities in Cumbria.

In the following nine years CBDC attracted highly skilled staff who have continued to develop data services for local authorities and ecological consultants working in planning and development. In addition, these services have then been adapted to support local and national conservation organisations working in the county, eg Plantlife, Buglife, Cumbria Wildlife Trust. These new partnerships have been vital to generate income and allow CBDC to showcase its skills, knowledge and data. The result has been an increased profile for CBDC and a growing reputation as the place to go for Biodiversity Information in the county.

Recently CBDC has diversified and as a result has provided:

- species identification training
- bug hunts and activities at public events
- equipment and room space to train new bryologists and lichenologists
- data for research and developing our knowledge of Cumbria's natural history.

The Recent Designation of the Natural Sciences collection offers the opportunity to harness data and specimens to create a compelling and powerful nationally significant biodiversity story.

## 5.7 Estate Management

### 5.7.1 Recent Improvements

- *Garden Café*  
2019 saw a light-touch improvement to the café, with the aim of helping to improve performance by creating a more attractive environment in line with contemporary expectations.
- *BMS improvements*  
Carlisle City Council will be continuing their future proofing investment in the Museum's Building Management System by commissioning upgrades to ensure that this sophisticated but essential technology remains fit-for-purpose
- *Gallery improvements*  
A series of on-gallery visitor improvements commenced in 2018: new introductory graphics have been installed on the main Border Gallery staircase to aid orientation and to provide simpler navigation; *Origins* – an impressive redisplay of the museum's significant pre-history collection; and *Formations*, which uses the geology collections to tell the story of how the Cumbria landscape was created
- *Secret Garden*  
A small and tranquil space in the middle of the city, where youth and community groups have combined to create a home for nature and a place where vulnerable groups can explore nature in a safe environment
- *Activity room / Learning base*  
The Museum has invested in its activity room by extending the footprint so that schools have more space to undertake many of the award winning activities

### 5.7.2 Future Plans

#### *Project Tullie*

*Project Tullie* is the focus for a series of major improvements to the estate in the coming years, and therefore there are relatively few stand-alone improvement projects in the meantime.

#### *Costume Gallery*

The new costume galleries will be delivered in 2020 (see Section 5.2 above)

#### *General Maintenance and improvements*

Phased lighting replacement in the galleries – moving to LED technology – starting in 2020

## 6. Incoming resources

### 6.1 Admissions and membership

#### 6.1.1 Ticketed admissions

Tullie House has charged for admission for a number of years using various different structures. It has recently settled on a simplified pricing structure:

- Day ticket £5.90 (£6.50 with Gift Aid)
- Annual ticket £10.00 (inc. Gift Aid, annual pass method)
- Under 18s: Free with an adult

In 2017/18 Admissions and associated Gift Aid accounted for £149,929 from 43,370 ticketed visits, an average yield of £3.46 per ticketed visit.

In 2018/19 the equivalent figure was £123,584 from 40,743 visits, an average yield of £3.03.

This range demonstrates the impact that more successful/popular temporary exhibitions on numbers and income.

In 2018/19 the split of ticketed visitors was as follows:

Ticket type	% of total ticketed admissions
Annual Ticket purchase	11.5%
Day Ticket	35.6%
Annual Ticket Re-admission (free)	19.6%
Child (Free)	25.7%
Other Free of Charge	7.7%

The primary scenario of this business plan makes the following assumptions about admissions:

- Following the completion of the Costume Gallery (2020/21), ticketed visitor numbers will rise in Y1 by c.12,000 visits (+30%) from 2019/20 levels, with a Y2 onwards target of c.50,000 visits p.a.
- The pricing structure will be revised in 2020/21 to phase out the day ticket and move all admissions onto an £11 (including VAT but excluding Gift Aid) annual ticket. This will be subject to a 2% increase in 2022/23.
- We will continue to offer free admission for under 18s. There are practical and strategic reasons for this:
  - Strategically, it contributes to the Museum's commitment to supporting the delivery of Arts Council England's Goal 5: *"Every child and young person has the opportunity to experience the richness of the arts, museums and libraries."* Continued ACE NPO funding beyond the current cycle (ends 2022) is critical and this is an important part of our case to ACE.
  - On a practical level, free admissions for children helps make the £10 annual ticket good value-for-money for families; it also means that we are able to keep a simple-to-understand pricing structure, without different family tickets and concessions, which recent audience research revealed was important for visitors (especially those who are not regular museum visitors).
  - Finally, our decision to increase the full adult admission to £14 following *Project Tullie (2024)* is partly based on a calculation that keeping free admission for the under 18s maintains good value-for-money for families (particularly local families).
- We do not expect significant numbers of current day ticket buyers to take advantage of the annual ticket re-admission offer, as many are either tourist visitors or visiting for a specific exhibition.
- Based on the current actual split of visitors as outlined in the table above, a single type of ticket with no concessions will mean that we assume 47% of ticketed visitors will pay this price.
- Following the completion of Phase1 of *Project Tullie (2024-25)*, our primary scenario projects that ticketed visit numbers will rise to c.84K in the first year of re-opening with a Y2 onwards target of c.80,000 visits p.a.

- Following the completion of *Project Tullie* Phase 1 in 2024/25, the ticket price will be increased to £14 (including VAT but excluding Gift Aid claimed) for an annual ticket.

Based on these assumptions, ticketed admissions for the period covered by this plan is estimated to be as follows:

Year	Ticketed admissions (#) Projections	Projected Income (net of VAT, ex Gift Aid)	Notes
2019/20	40,743	£126,477	Two ticket types, £10/£5.90
2020/21	52,966	£228,329	Costume Gallery opens, day-ticket phased out, price increase to £11 (inc. VAT). Annual Pass Gift Aid methodology.
2021/22	50,929	£219,549	As above
2022/23	50,929	£223,940	Inflationary increase
2023/24	-	-	<i>Project Tullie</i> construction
2024/25	84,000	£460,872	Phase One of <i>Project Tullie</i> opens, price increase to £14 (inc. VAT). Annual Pass Gift Aid methodology.

### 6.1.2 Gift Aid

Tullie House currently operates a split Gift Aid model, applying the 10% donation method to day tickets, and the annual pass model to the annual ticket.

In 2018/19, Gift Aid receipts equated to 12% of all museum admissions income.

From 2019/20 the day ticket will be phased out, along with the 10% Gift Aid methodology. All tickets will be annual tickets and accordingly the Annual Pass method will be used for Gift Aid.

This method often results in a higher conversion rate as it does not require an additional donation, however for the sake of prudence, we have assumed that Gift Aid receipts will continue to equate to c.12% of ticket admissions income.

Using this assumption, it is estimated that Gift Aid receipts will rise to c£24k per annum following the move the annual tickets only and the opening of the Costume Gallery, with a further rise to c.£50k p.a. following the opening of Phase 1 of *Project Tullie*.

Year	Ticked admissions (#) (Projected)	Income (net of VAT) (Projected)	Gift Aid claimed (Projected)
2019/20	40,743	£126,477	£11,000
2020/21	52,966	£228,329	£19,858
2021/22	50,929	£219,259	£19,095
2022/23	50,929	£229,940	£19,477
2023/24	-	-	-
2024/25	84,000	£460,872	£35,788

### 6.1.3 Membership

In 2019/20, our target for membership income is £5,000. We expect this level to be maintained throughout the period of this plan.

Following *Project Tullie* and the embedding of an increased annual ticket price we do not expect membership grow significantly. Annual ticket schemes can undermine membership scheme as everyone benefits from free entry; this is often offset by increased Gift Aid conversion.

## 6.2 Trading income

Tullie House generates income via a number of trading activities, including:

- Retail
- Catering
- Venue Hire and Events

Income is via the charity's trading companies and profits are gift-aided to the charity.

A range of museum costs in addition to direct costs of sales are allocated to trading activities to recognise the true cost of the delivery of trading activities. This cost allocation has resulted in the trading company making small deficits in recent years. However, as a number of these expenses are fixed costs that would not decrease significantly if there were no trading, these activities still make a valuable contribution to the museum. This section outlines our expectations for the coming years in each of these trading areas.

### 6.2.1 Retail Income

The actuals for 2018/19 (last full year) reveal the following retail performance:

<b>Retail</b>	<b>2018/19 actuals</b>
Sales	£66,045
ATV	£7.61
Transactions	8,678
Footfall	245,000
Ticketed visitors	38,956
Conversion (all footfall)	3.54%
Conversion (ticketed only)	22.3%
Average spend per	
GPM (ex. staff costs)	41%
<b>Net income before overheads</b>	<b>£26,921</b>

In 2019/20 we are targeting an increase in our Gross Profit Margin (before staff costs) in order to increase the profitability of the shop. Following recommendations from a retail consultancy, we have improved visual merchandising and layout, reviewed margins across all lines and sought alternative suppliers where improvements can be made and have developed a new selling space for local artists and makers.

Increases in visitor numbers following the costume gallery opening and then *Project Tullie* Phase 1 will have a positive impact on sales.

Following the completion of *Project Tullie* Phase 1 and improved shop environment should also result in an increase in average transaction value and we have assumed an additional average spend of £0.40 per ticketed visitor.

Year	Ticked admissions (#)	Ave spend per paying visitor	Sales	GPM	Income net of cost of sales
2019/20	40,743	£1.55	£63,000	50%	£31,500
2020/21	52,966	£1.58	£83,538	50%	£41,769
2021/22	50,929	£1.61	£81,932	50%	£40,966
2022/23	50,929	£1.64	£83,571	50%	£41,785
2023/24	-	-	-	-	-
2024/25	84,000	£2.04	£171,360	50%	£85,680

### 6.2.2 Catering Income

Catering is in the Garden Café<sup>13</sup> and is contracted out to an independent provider, Catering Academy. From 1<sup>st</sup> October 2019, local operator Origins Caterers t/a John Watt & Son will be taking over the operation. The driver for this change was the need to improve the visitor experience of the catering offer and use as much fresh, locally sourced produce as possible. The new contract will be for five years with a three-year break and is for a profit share in year one, followed by a commission arrangement from year two.

Year	Ticked admissions (#)	Income (net of VAT and direct costs)	Notes
2019/20	40,743	£27,500	Catering Academy existing deal / John Watts new deal
2020/21	52,966	£35,000	John Watts deal
2021/22	50,929	£45,000	John Watts deal
2022/23	50,929	£45,450	John Watts deal
2023/24	-	-	(Construction)
2024/25	84,000	£67,331	Improved environment and offer

### 6.2.3 Venue Hire and Events Income

In 2018/19 the museum earned £26,519 from venue hire, before direct and indirect costs. Profit before indirect costs was £14,079. This was double the previous year as a result of new staff joining half-way through the year.

We are aiming for a similar level of sales this year with targeted increases of £2,500 each year in the run up to the delivery of *Project Tullie*.

Following *Project Tullie*, we have assumed a modest increase in sales targets to £40,000+. This acknowledges much improved premises, but also acknowledges the building will be well used for programme, particularly in the evening, meaning that there will be relatively limited additional venue hire opportunities.

### 6.3 Carlisle City Council

Tullie House was, until 2011, run by the local authority. The City Council continues to provide core income to the Trust, in the form of an annual contract, which is agreed on the basis of a rolling three-year business plan prepared by the Trust. A series of 30-year legal agreements commencing in 2011 underpins key aspects of the operational and contractual relationship between the Trust and the City Council, relating to the care of the Council's collection and buildings (of which it retains legal ownership).

Funding has decreased from the Council in the subsequent years:

CCC Income type	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
	£	£	£	£	£	£	£	£	£
Core Contract (Base funding before inflation)	1,314,420	1,256,420	1,198,420	1,198,420	948,420	734,420	734,420	734,420	734,420
Reduction from 2011/12		58,000	116,000	116,000	366,000	580,000	580,000	580,000	580,000
								118,130	146,720
Inflation	0	18,161	37,003	47,034	80,438	77,696	89,301	0	3
Services (HR/Payroll /ICT)	0	0	0	0	13,294	22,388	72,480	82,498	89,403
<b>Revised Base Income</b>	<b>1,314,420</b>	<b>1,274,581</b>	<b>1,235,423</b>	<b>1,245,454</b>	<b>1,042,152</b>	<b>834,504</b>	<b>896,201</b>	<b>935,048</b>	<b>970,546</b>

<sup>13</sup> Currently being considered for rebranding

In the context of continued central government austerity policies, the Council has indicated it needs to make further reductions in support and this is likely to mean that this continues to reduce in real terms, even allowing for inflationary increases on a future reduced core grant.

The Council has indicated it is interesting in extending the multi-year funding agreement from three years to four, in order to offer stability and certainty in budgeting for both parties.

During the period of this plan we are making the following assumptions regarding funding from Carlisle City Council over the next four years:

CCC Income type	2020/21	2021/22	2022/23	2023/24
	£	£	£	£
Core Contract (Base funding before inflation)	634,420	584,420	534,420	534,420
	£100,00			
Reduction from 2019/20 levels	0	£150,000	£200,000	£200,000
Inflation (estimated)	176,068	207,760	241,001	274,742
Services (HR/Payroll /ICT)	90,784	90,784	90,784	90,784
<b>Revised Base Income</b>	<b>901,272</b>	<b>882,964</b>	<b>866,205</b>	<b>899,946</b>

### 6.3.1 Impact of a further grant reduction in Carlisle City Council support beyond the planned £200,000 in 2022/23

The Council has committed to the grant reductions in 2020/21 and 2021/22 but has indicated that any reduction for 2022/23 would need to be considered when it reviews its medium-term financial plan in 2020. The Trust has assumed that there may be a further reduction of £50k in 2022/23, meaning a £200,000 reduction in the Core Contract from today's levels.

A reduction of core support beyond this (i.e. £200,000 reduction from today's levels) will seriously compromise the progress the Museum has been making in terms developing audiences, providing community programmes and significantly growing its own income – both self-generated and contributed. It may also affect how the Museum has been contributing to the wider strategic development of culture in the city.

We feel that the risks involved in the additional £100k grant reduction significantly outweigh the immediate short-term benefit that might accrue to the Council's finances.

### Tullie House: Projected Reserves over the period of this plan, assuming a £200k reduction in Council funding and the delivery of Project Tullie by 2024/25.

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Unrestricted plus designated reserves b/forward	423,238	444,721	454,113	471,079	432,077	152,354
Profit / (Loss) in the year	27,665	9,392	16,966	(39,003)	(279,723)	52,471
Expenditure from prior year allocation	(6,182)	0	0	0	0	0
Unrestricted plus designated c/forward	444,721	454,113	471,079	432,077	152,354	204,825

#### Notes on the above table

- **2020/21, 2021/22** - Projected break even – impact of the new Costume Gallery mitigates 1st two years of Council grant reduction;
- **2022/23** - Deficit as final year of projected £200k reduction impacts;
- **2023/24** - Lost income during construction requires reserve to underwrite Museum's operation;



- **2024/25** - Reserve begins to be rebuilt to sustainable levels (as per Charity Good Governance Guidance) from post – *Project Tullie* surplus;

#### **6.4 Arts Council England (ACE)**

Tullie House is an ACE National Portfolio Organisation (NPO) as part of the Cumbria Museum Consortium (CMC). As such, it receives £323,000 per annum from this source until 2022 (plus £76,000 per annum for joint CMC initiatives, which is expended via Tullie House). As with many NPOs, the impact of losing this funding post-2022 would provide a very significant challenge to the Museum's ability to deliver the range of activities, engagement and exhibitions, which it currently provides.

This plan assumes as its primary scenario that the CMC is successful in renewing its NPO status, albeit with a standstill grant which assumed no increase in arts funding from central government in the coming years.

If CMC is unsuccessful then this will have the impact of significantly reducing the range of learning and community engagement programmes delivered by the museum, to which the majority of this funding is currently allocated.

#### **6.5 Fundraising, Exhibition Sponsorship, Grants and Donations**

Each year, Tullie House raises between £200,000 - £400,000 from trusts and foundations, national lottery and other statutory sources towards its work, including funding for gallery refurbishment, exhibitions, staff costs and consultancy support on projects. This income forms an important part of the Museum's ability to deliver work beyond the core function it provides in caring for the Council's collection and buildings.

In addition to this contributed income the Museum runs a successful Patrons scheme, launched as part of the 125 anniversary dinner in November 2018. Growing the Patron membership is a fundamental part of the museum's future sustainability and as a consequence challenging income targets have been set.

Tullie House has ambitions to raise more funding in future from philanthropy, however a significant challenge is the lack of dedicated development staff in the museum. Increased unrestricted income from trading could be used to support fundraising capacity in order to grow income in this field.

In 2019/20 fundraising brought in a total of £821,000, however this figure is unusually high due to successful fundraising for the Costume Gallery and the *Project Tullie* masterplan.

As outlined earlier, future fundraising for the *Project Tullie* capital project will sit outside this business plan. Therefore, the target for fundraising for revenue programmes during the period of this business plan will be £160,000 + inflation per annum.

#### **6.6 Exhibition Tax Relief**

Under current rules Tullie House is able to claim back a portion of its exhibitions expenditure in the form of Museums and Galleries exhibitions tax relief. Due to the long-term uncertainty concerning the tax relief regime, we have not counted this income beyond 2020 (when a review is due to be undertaken by HM Government). That said it should be noted that £32,000 was claimed from HMRC in 2018/19 and £35,000 is expected to be claimed in 2019/20.



## 6.7 Income summary, Primary Scenario

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	Costume Gallery			Project Tullie		
	Opens			Construction	Completion	
	2%	2%	2%	2%	2%	2%
	1.00	1.02	1.04	1.06	1.10	1.13
	Budget	Estimate	Estimate	Estimate	Estimate	Estimate
	NPO Y2	NPO Y3	NPO Y4	NPO Y1	NPO Y2	NPO Y3
Footfall	250,000	250,000	250,000	250,000	0	250,000
Paid Admissions	40,743	52,966	50,929	50,929	0	84,000
Yield	£3.37	£4.69	£4.69	£4.78	£0.00	£6.09
<b>Income</b>						
<b>Grants (Public)</b>						
Carlisle City Council Management fee	952,961	901,272	882,964	866,205	899,946	917,944
Carlisle City Council Central Services	33,108	8,000	8,000	8,000	8,000	8,000
ACE NPO	399,165	399,165	399,165	399,165	399,165	399,165
NPO admin recharge to partners	20,000	20,000	20,000	20,000	20,000	20,000
Exhibition Tax Relief (HMRC)	35,000	0	0	0	0	0
<b>Grants (core) subtotal</b>	<b>1,440,234</b>	<b>1,328,437</b>	<b>1,310,129</b>	<b>1,293,370</b>	<b>1,327,111</b>	<b>1,345,109</b>
<b>Other Grants and Sponsorship</b>						
HLF Resilience	49,850	0	0	0	0	0
Cumbria County Council	10,000	0	0	0	0	0
Headley Trust	30,000	0	0	0	0	0
DCMS Wolfson (Costume Gallery)	252,675	0	0	0	0	0
LEP / Garfield Weston	270,000	0	0	0	0	0
Other grants	185,233	150,000	153,000	156,060	159,181	162,365
Donations	23,600	10,000	10,000	10,000	10,000	15,000
<b>Other grants &amp; sponsorship subtotal</b>	<b>821,358</b>	<b>160,000</b>	<b>163,000</b>	<b>166,060</b>	<b>169,181</b>	<b>177,365</b>
<b>Admissions</b>						
Admissions Income (net of VAT)	126,477	228,329	219,549	223,940	0	460,872
Gift Aid	11,000	19,858	19,095	19,477	0	50,696
Tullie Card	0	0	0	0	0	0
Membership	5,000	5,000	5,000	5,000	0	7,000
<b>Admissions subtotal</b>	<b>142,477</b>	<b>253,188</b>	<b>243,643</b>	<b>248,416</b>	<b>0</b>	<b>518,568</b>
<b>Trading (net income)</b>						
Retail	31,500	41,769	40,966	41,785	0	85,680
Catering	27,500	35,000	45,000	45,450	0	67,331
Events	27,000	28,500	30,000	32,000	0	24,480
Monday alternative and other	2,500	1,363	1,391	1,418	1,447	1,476
<b>Trading (net of direct costs) subtotal</b>	<b>88,500</b>	<b>106,632</b>	<b>117,356</b>	<b>120,654</b>	<b>1,447</b>	<b>178,967</b>
<b>Learning income</b>	<b>37,000</b>	<b>37,762</b>	<b>38,518</b>	<b>39,288</b>	<b>0</b>	<b>40,875</b>
<b>Talks and other income/charges</b>	<b>13,000</b>	<b>13,260</b>	<b>13,525</b>	<b>13,796</b>	<b>0</b>	<b>30,308</b>
<b>Interest and investments</b>	<b>6,000</b>	<b>6,000</b>	<b>6,000</b>	<b>6,000</b>	<b>0</b>	<b>500</b>
<b>Central Charges Contribution</b>						
ACE	38,500	38,500	38,500	38,500	38,500	38,500
CBDC	12,500	12,500	12,500	12,500	12,500	12,500
<b>Subtotal Central Charges</b>	<b>51,000</b>	<b>51,000</b>	<b>51,000</b>	<b>51,000</b>	<b>51,000</b>	<b>51,000</b>

<b>Total Museum income</b>	<b>2,599,569</b>	<b>1,956,279</b>	<b>1,943,171</b>	<b>1,938,584</b>	<b>1,548,738</b>	<b>2,342,692</b>
<b>CBDC income (gross)</b>						
Income	71,000	72,420	73,868	75,346	76,853	78,390
CBDC trading profit	16,303	16,303	16,303	16,303	16,303	16,303
<b>Subtotal CBDC income</b>	<b>87,303</b>	<b>88,723</b>	<b>90,171</b>	<b>91,649</b>	<b>93,156</b>	<b>94,693</b>
<b>Total income</b>	<b>2,686,872</b>	<b>2,045,002</b>	<b>2,033,343</b>	<b>2,030,233</b>	<b>1,641,894</b>	<b>2,437,385</b>

## 7. Expenditure

### 7.1 Staffing and volunteering

In 2019/20 the staffing budget is projected to be £964,000 (excluding trading staff and CBDC staff).

As part of *Project Tullie*, there will be an increase in staff capacity in the areas of development and marketing, resulting in additional staff costs of £85k p.a. + inflation from 2023/24, however these roles will only be maintained if the expected increase in paid admissions is achieved and the Museum income increases accordingly.<sup>14</sup>

These additional roles will not be able to be introduced should additional Council reductions be imposed beyond the £200k already budgeted (see *Section 6.3 above*). This would negatively impact the potential for visitor growth following *Project Tullie* and mean that our primary scenario would be reduced to 70,000 visits per annum.

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	£	£	£	£	£	£
Salaries (Trust only) + on costs	873,677	847,537	804,581	832,899	864,513	874,796
Additional Development and Marketing Staff ( <i>Project Tullie</i> and beyond)	0	0	0	0	85,000	86,700
Additional hours	53,300	54,366	55,453	56,562	0	58,848
ACE NPO salaries (directly funded)	37,275	38,021	38,781	39,557	40,348	41,155
<b>Total</b>	<b>964,252</b>	<b>939,923</b>	<b>898,815</b>	<b>929,018</b>	<b>989,860</b>	<b>1,016,498</b>

### 7.2 Exhibitions and projects

As outlined in the fundraising section above (6.5), 2019 was an anomalous year with higher than usual income for specific projects, reflected in increased expenditure this year of £800k+.

It is expected that a more usual steady state of expenditure of c.£300k p.a. will occur from 2020/21. Costs are split between exhibitions and projects and 'NPO Expenditure' which is for projects directly funded by ACE NPO income. In the future this expenditure is dependent on ACE NPO status being maintained.

There is likely to be a temporary reduction in exhibitions expenditure should *Project Tullie* construction works require temporary closure of the museum.

Costs are projected to rise with inflation. *Project Tullie* will not necessitate additional increases in exhibitions budgets beyond inflation as there are no new temporary exhibitions spaces proposed in the Masterplan.

<sup>14</sup> There will be additional fundraising capacity in the years before this which will be paid for as part of the *Project Tullie* capital budget and therefore outside the scope of this Business Plan.

### 7.3 Operational Costs

In 2019/20 the Museum has budgeted £585,000 for operational expenditure, including £143,000 for utilities costs.

Inflationary increases have been used for this business plan, with following adjustments:

- Utilities costs will halve during construction, as contractors will be responsible for part of the site
- Security and maintenance costs will increase by c£20,000 p.a. as a result of *Project Tullie* to ensure that permanent displays and other renewed areas of the building are properly maintained.

In addition, a capital renewal fund will be instituted, to which the Trust will add £25,000 per annum from 2024/25 onwards. If unspent, this will be added to a designated reserve ('sinking fund') for future major renewal and maintenance, such as replacement of display cases and lighting.

#### Operational and Utilities Costs, Primary Scenario

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	Costume Gallery Opens			Project Tullie Construction    Completion		
	2%	2%	2%	2%	2%	2%
	1.00	1.02	1.04	1.06	1.10	1.13
	<b>Budget</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
	NPO Y2	NPO Y3	NPO Y4	NPO Y1	NPO Y2	NPO Y3
<b>Utilities</b>	<b>143,000</b>	<b>148,720</b>	<b>154,669</b>	<b>160,856</b>	<b>80,428</b>	<b>188,700</b>
<b>Operational Expenditure</b>						
Rent & Business rates	65,000	66,300	67,626	68,979	70,358	71,765
Equipment & Materials	28,100	28,662	29,235	29,820	30,416	31,025
Security & Maintenance	53,900	54,978	56,078	57,199	58,343	75,000
Depreciation	54,000	55,080	56,182	57,305	58,451	59,620
Professional Fees & Insurance	60,000	61,200	62,424	63,672	64,946	66,245
IT Services	40,000	40,800	41,616	42,448	43,297	44,163
Cleaning	38,400	39,168	39,951	40,750	41,565	42,397
General Office Expenses	24,160	24,643	25,136	25,639	26,152	26,675
Marketing & Fundraising	35,500	36,210	36,934	37,673	38,426	39,195
Training	13,750	14,025	14,306	14,592	14,883	15,181
Subscriptions & Licences	28,500	29,070	29,651	30,244	30,849	31,466
Bank & Credit card charges	3,350	2,569	2,504	2,664	2,610	2,636
<b>Subtotal operational expenditure</b>	<b>444,660</b>	<b>452,705</b>	<b>461,643</b>	<b>470,986</b>	<b>480,298</b>	<b>505,368</b>

### 7.4 Central costs allocated to trading

In 2019/20, £92,000, of central costs will be allocated to trading. This figure is set to rise with inflation over the period of this business plan:

Costs Allocated to Trading	2019/20
Salaries, NI & Er's Pension	(£61,652)
Utilities	(£12,300)
Professional Fees	(£1,100)
General Office Expenses	(£5,500)
Marketing & Fundraising	(£8,000)

Subscriptions & Licences	(£2,600)
Bank & Credit card charges	(£1,000)
<b>Total allocated costs</b>	<b>(£92,152)</b>

## 7.5 CBDC

To ensure its sustainability, CBDC needs to diversify and develop new sources of income<sup>15</sup>. This is a process that has been developing for the past couple of years and although volatile is proving to be successful. It brings with it a number of challenges to all members of staff as they balance the delivery of current activities and the development of new ones. This change in the business model has resulted in CBDC making a small annual loss which at present is being offset by reserves accumulated over the past 10 years.

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<sup>15</sup> CBDC now offers ecological advice and training as well as project support and data consultancy

## 7.6 Expenditure summary, Primary Scenario

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	Costume Gallery			Project Tullie		
	Opens			Construction	Completion	
	2%	2%	2%	2%	2%	2%
	1.00	1.02	1.04	1.06	1.10	1.13
	Budget	Estimate	Estimate	Estimate	Estimate	Estimate
	NPO Y2	NPO Y3	NPO Y4	NPO Y1	NPO Y2	NPO Y3
Footfall	250,000	250,000	250,000	250,000	0	250,000
Paid Admissions	40,743	52,966	50,929	50,929	0	84,000
<b>Expenditure</b>						
<b>Staffing</b>						
Salaries (Trust only) and on costs	873,677	847,537	804,581	832,899	864,513	874,796
Additional Development and Marketing Staff	0	0	0	0	85,000	86,700
Additional hours	53,300	54,366	55,453	56,562	0	58,848
ACE NPO salaries	37,275	38,021	38,781	39,557	40,348	41,155
Travel and subsistence	12,000	12,240	12,485	12,734	12,989	13,249
Restructure allowance (one off)	0	0	0	0	0	0
Pension rebate & NI allowance	0	0	0	0	0	0
Uniforms	0	0	0	0	0	0
<b>Subtotal staffing expenditure</b>	<b>£976,252</b>	<b>£952,163</b>	<b>£911,300</b>	<b>£941,752</b>	<b>£1,002,850</b>	<b>£1,074,747</b>
<b>Exhibitions and Projects</b>						
Projects	92,750	0	0	0	0	0
Project Tullie	50,000					
Costume Gallery	584,000					
Exhibitions and Projects post 19/20	116,200	150,000	153,000	156,060	0	162,365
ACE / CMC Expenditure	144,890	144,890	144,890	144,890	144,890	144,890
<b>Subtotal exhibitions and projects expenditure</b>	<b>987,840</b>	<b>294,890</b>	<b>297,890</b>	<b>300,950</b>	<b>144,890</b>	<b>307,255</b>
<b>Utilities</b>	<b>143,000</b>	<b>148,720</b>	<b>154,669</b>	<b>160,856</b>	<b>80,428</b>	<b>188,700</b>
<b>Operational Expenditure</b>						
Rent & Business rates	65,000	66,300	67,626	68,979	70,358	71,765
Equipment & Materials	28,100	28,662	29,235	29,820	30,416	31,025
Security & Maintenance	53,900	54,978	56,078	57,199	58,343	75,000
Depreciation	54,000	55,080	56,182	57,305	58,451	59,620
Professional Fees & Insurance	60,000	61,200	62,424	63,672	64,946	66,245
IT Services	40,000	40,800	41,616	42,448	43,297	44,163
Cleaning	38,400	39,168	39,951	40,750	41,565	42,397
General Office Expenses	24,160	24,643	25,136	25,639	26,152	26,675
Marketing & Fundraising	35,500	36,210	36,934	37,673	38,426	39,195
Training	13,750	14,025	14,306	14,592	14,883	15,181
Subscriptions & Licences	28,500	29,070	29,651	30,244	30,849	31,466
Bank & Credit card charges	3,350	2,569	2,504	2,664	2,610	2,636
<b>Subtotal operational expenditure</b>	<b>444,660</b>	<b>452,705</b>	<b>461,643</b>	<b>470,986</b>	<b>480,298</b>	<b>505,368</b>
<b>Trading</b>						
Salaries	61,652	62,885	64,142	65,425	81,299	71,884
Operational costs	30,500	31,110	31,732	32,367	33,014	33,674
<b>Central costs allocated to trading</b>	<b>92,152</b>	<b>93,995</b>	<b>95,874</b>	<b>97,792</b>	<b>114,313</b>	<b>105,559</b>
<b>Capital renewal allowance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>25,000</b>

<b>Total Museum expenditure</b>	<b>£2,643,903</b>	<b>£1,942,473</b>	<b>£1,921,377</b>	<b>£1,972,335</b>	<b>£1,822,779</b>	<b>£2,206,628</b>
<b>CBDC Costs</b>						
CBDC Staffing	£94,215	£93,137	£95,000	£96,900	£98,838	£100,815
Other costs	£0	£0	£0	£0	£0	£0
<b>CBDC Costs</b>	<b>£94,215</b>	<b>£93,137</b>	<b>£95,000</b>	<b>£96,900</b>	<b>£98,838</b>	<b>£100,815</b>
<b>Total Expenditure</b>	<b>£2,738,118</b>	<b>£2,035,610</b>	<b>£2,016,377</b>	<b>£2,069,235</b>	<b>£1,921,617</b>	<b>£2,307,443</b>
<b>Surplus (Deficit)</b>	<b>(£51,246)</b>	<b>£9,392</b>	<b>£16,966</b>	<b>(£39,003)</b>	<b>(£279,723)</b>	<b>£129,942</b>

8. Primary Scenario - 10-year Forecast

Income and Expenditure Summary 2019/20 – 2029/30  
Primary Scenario, Project Tullie Phase One delivered, 80k annual ticketed visits

		2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
		Costume Gallery				Project Tullie						
		Opens				Construction			Completion			
Inflation	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
	1.00	1.02	1.04	1.06	1.08	1.10	1.13	1.15	1.17	1.20	1.22	
Budget		Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
NPO Y2		NPO Y3	NPO Y4	NPO Y1	NPO Y2	NPO Y3	NPO Y4	NPO Y4				
Footfall		250,000	250,000	250,000	250,000	0	250,000	250,000	250,000	250,000	250,000	250,000
Ticketed Admissions		40,743	52,966	50,929	50,929	0	84,000	80,000	80,000	80,000	80,000	80,000
Income												
Core Funding		1,440,234	1,328,437	1,310,129	1,293,370	1,327,111	1,345,109	1,363,468	1,382,194	1,401,295	1,420,778	1,440,650
Other grants & sponsorship		821,358	160,000	163,000	166,060	169,181	177,365	185,612	193,924	202,303	205,749	209,264
Admissions		142,477	253,188	243,643	248,416	0	518,568	529,008	529,008	563,808	563,808	563,808
Trading (net of direct costs)		88,500	106,632	117,356	120,654	1,447	178,967	180,405	186,134	192,083	198,263	202,229
Learning income		37,000	37,762	38,518	39,288	0	40,875	41,693	42,527	43,377	44,245	45,130
Talks and other income/charges		13,000	13,260	13,525	13,796	0	30,308	30,914	31,532	32,163	32,806	33,462
Interest and investments		6,000	6,000	6,000	6,000	0	500	1,000	1,500	2,000	2,500	3,000
Central Charges		51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000
Total Museum income		2,599,569	1,956,279	1,943,171	1,938,584	1,548,738	2,342,692	2,383,100	2,417,819	2,488,030	2,519,149	2,548,543
CBDC gross income		87,303	88,723	90,171	91,649	93,156	94,693	96,261	97,860	99,491	101,155	102,852
Total income		2,686,872	2,045,002	2,033,343	2,030,233	1,641,894	2,437,385	2,479,360	2,515,679	2,587,521	2,620,304	2,651,394



Expenditure																
Staffing costs	£976,252	£952,163	£911,300	£941,752	£1,002,850	£1,074,747	£1,083,267	£1,104,933	£1,127,031	£1,149,572	£1,172,564					
Exhibitions and projects	987,840	294,890	297,890	300,950	144,890	307,255	310,502	313,814	317,193	320,639	324,154					
Utilities	143,000	148,720	154,669	160,856	80,428	188,700	192,474	196,323	200,250	204,255	208,340					
Operational expenditure	444,660	452,705	461,643	470,986	480,298	505,368	515,448	525,730	536,217	546,914	557,824					
Central costs allocated to trading	92,152	93,995	95,874	97,792	114,313	105,559	107,670	109,823	112,020	114,260	116,545					
Capital Renewal allowance	0	0	0	0	0	25,000	25,000	25,000	25,000	25,000	25,000					
<b>Total Museum expenditure</b>	<b>£2,643,903</b>	<b>£1,942,473</b>	<b>£1,921,377</b>	<b>£1,972,335</b>	<b>£1,822,779</b>	<b>£2,206,628</b>	<b>£2,234,361</b>	<b>£2,275,624</b>	<b>£2,317,711</b>	<b>£2,360,640</b>	<b>£2,404,427</b>					
CBDC Costs	£94,215	£93,137	£95,000	£96,900	£98,838	£100,815	£102,831	£104,888	£106,985	£109,125	£111,308					
<b>Total Expenditure</b>	<b>£2,738,118</b>	<b>£2,035,610</b>	<b>£2,016,377</b>	<b>£2,069,235</b>	<b>£1,921,617</b>	<b>£2,307,443</b>	<b>£2,337,192</b>	<b>£2,380,511</b>	<b>£2,424,696</b>	<b>£2,469,765</b>	<b>£2,515,734</b>					
<b>Surplus (Deficit)</b>	<b>(£51,246)</b>	<b>£9,392</b>	<b>£16,966</b>	<b>(£39,003)</b>	<b>(£279,723)</b>	<b>£129,942</b>	<b>£142,168</b>	<b>£135,168</b>	<b>£162,824</b>	<b>£150,539</b>	<b>£135,660</b>					
Contingency allowance		£0	£0	£0	£0	£25,000	£25,000	£25,000	£25,000	£25,000	£25,000					
Contribution to reserves		£9,392	£16,966	(£39,003)	(£279,723)	£52,471	£58,584	£55,084	£68,912	£62,770	£55,330					
Investment in Project Tullie later phases		£0	£0	£0	£0	£52,471	£58,584	£55,084	£68,912	£62,770	£55,330					

## 9. Scenarios and Sensitivity

### 9.1 Summary of Scenarios

We have examined a range of potential future scenarios in preparing this business plan and in the associated work we have undertaken on the *Project Tullie* development plan.

These scenarios look at various delivery options and impacts, all of which have been prepared to the same level of financial detail.

We have included three scenarios in this business plan:

#### Scenario 1:

- The new costume gallery is delivered in 2019-20 and is open by April 2020 and results in a 20-30% increase in ticketed visitors
- *Project Tullie* goes ahead with completion of the first phase by and results in an increase in visitors to **c.80k ticketed visits per annum**

#### Scenario 2:

- The new costume gallery is delivered in 2019-20 and is open by April 2020 and results in a 20-30% increase in ticketed visitors
- *Project Tullie* goes ahead with completion of the first phase by and results in an increase in visitors to **c.70k ticketed visits per annum**

#### Scenario 3:

- The new costume gallery is delivered in 2019-20 and is open by April 2020 and results in a 20-30% increase in ticketed visitors
- *Project Tullie* goes ahead with completion of the first phase by and results in an increase in visitors to **c.60k ticketed visits per annum**

#### Scenario 4:

- *Project Tullie* doesn't go ahead (see Appendix II, Scenario 4)
- The new costume gallery is delivered in 2019-20 and is open by April 2020 and results in a 20-30% increase in ticketed visitors
- 5% annual decline in visitor numbers following the uplift resulting from the Costume Gallery to **c.45,000 visits by 2024/25** with ongoing reductions after this

#### Scenario 1 is the primary scenario adopted in this business plan

### 9.2 Sensitivity of the Primary Scenario

Four sensitivity analyses have been undertaken on the income modelled in this plan:

- 1) Based solely on the admission charges
- 2) Based on all income as a whole (including admissions, retail, catering, raised and other grant income).

Both of these have been applied to:

- 1) The post-Costume Gallery model (2020/21)
- 2) The post-*Project Tullie* model (2024/25)

Tullie House has a strong recent history of cost control, and therefore significant expenditure variables are relatively low risk.

The tables on the following pages illustrate the sensitivity of the business model at both stages in the next six years to adverse variances in both types of income:

**Tullie House**  
**Sensitivity Analysis**  
**Post-Costume Gallery**

**2020 / 21**  
**Costume**  
**Gallery**

	£
<b>INCOME</b>	
Admission and user charges	266,448
Trading	106,632
Public Sector	1,328,437
Grants and Donations	160,000
Learning Income	37,762
ACE/CBDC recharges	51,000
CBDC	88,723
<b>Bank interest and investments</b>	<b>6,000</b>
<b>Total income (A)</b>	<b>2,045,002</b>
<b>SPENDING</b>	
<b>Direct operating costs</b>	
Staffing	952,163
Exhibitions and Projects	294,890
Utilities and Operational Costs	601,425
Trading	93,995
CBDC	93,137
<b>Non-recoverable VAT</b>	<b>0</b>
<b>Total spending (B)</b>	<b>2,035,610</b>
<b>Operating surplus or deficit (A-B)</b>	<b>9,392</b>

**Sensitivity analysis:**

**(i) TOTAL 'Cover'** **9,392**

<i>All income</i>			
<i>Negative variance of : -</i>		<i>(i) Cover</i>	
<b>0.5%</b>	<b>9,392</b>	<b>0</b>	
1.0%	20,450	(11,058)	
5.0%	102,250	(92,858)	
<i>Admissions</i>			
<i>Negative variance of : -</i>			
1.0%	2,664	6,728	
2.5%	6,661	2,731	
<b>3.5%</b>	<b>9,392</b>	<b>0</b>	
5.0%	13,322	(3,930)	

The level of 'cover' is equal to the projected surplus for the year. In the first instance (2020-21) this indicates that there are the following levels of sensitivity in this model:

- All income: - 0.5%
- Admissions income only: - 3.5 %
- 

## Tullie House

### Sensitivity Analysis

### Post-Project Tullie

2024 / 25

Project

Tullie

£

#### INCOME

Admission and user charges	548,876
Trading	178,967
Public Sector	1,345,109
Grants and Donations	177,365
Learning Income	40,875
ACE/CBDC recharges	51,000
CBDC	94,693
<b>Bank interest and investments</b>	500
<b>Total income (A)</b>	<b>2,437,385</b>

#### SPENDING

##### Direct operating costs

Staffing	1,074,747
Exhibitions and Projects	307,255
Utilities, Operational Costs, capital renewal	719,068
Trading	105,559
CBDC	100,815
<b>Non-recoverable VAT</b>	0
<b>Total spending (B)</b>	<b>2,307,443</b>

<b>Operating surplus or deficit (A-B)</b>	<b>129,942</b>
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## Sensitivity analysis:

### (i) TOTAL 'Cover'

129,942

#### All income

#### Negative variance of : -

#### (i) Cover

5.0%	121,869	8,073
<b>5.3%</b>	<b>129,942</b>	<b>0</b>
7.5%	182,804	(52,861)

#### Admissions

#### Negative variance of : -

10.0%	54,888	75,055
15.0%	82,331	47,611
20.0%	109,775	20,167
<b>24%</b>	<b>129,942</b>	<b>0</b>

Once again the level of 'cover' is equal to the projected surplus for the year. In this instance (2024-25) this indicates that there are the following levels of sensitivity in this model:

- All income: - 5.3 %
- Admissions income only: - 24%

5% - 24% suggests moderate sensitivity and risk. In the scenarios detailed in 9.3 *Scenario Planning* below, a sustainable business models at 60k visitors post-*Project Tullie* has been identified, which represents a reduction of 22% in ticket income from the primary 80k visitor scenario.

### 9.3 Scenario Planning

The range of annual visitor numbers expected at Tullie House following the delivery of *Project Tullie* is presented in a range of scenarios, which takes into consideration:

- Size of local and tourist market
- Potential conversion of Carlisle and Borderlands visitors
- Potential conversion of Carlisle residents

Three post-*Project Tullie* scenarios have modelled in this business plan, together with their respective penetration rates. These scenarios are:

- 80,000 visitors per annum – primary scenario
- 70,000 visitors per annum
- 60,000 visitors per annum

#### 9.3.1 Primary Scenario, Scenario 1, visitor numbers: 80,000 visitors per annum with an initial 5% spike in the first year of opening

We are adopting the 80,000 visitors model as the primary expected model for planning purposes, though all three models have been worked up to the same level of detail to illustrate how the Museum's business model can be flexed downwards to produce a sustainable operation at all three levels.

This primary scenario forms the basis for this business plan as well as the longer-term forecasts that will be required for our major capital funders.

Sections 8.3.3 and 8.3.4 below explain the key changes to income and expenditure in the 70k and 60k models.

The Primary Scenario delivers a surplus of £129k in the first year, which is important in order to:

- Provide an adequate contingency against admissions and trading not meeting expectations;
- Enable the Museum to replenish its reserves following the first phase of *Project Tullie* which will involve a deficit of c.£270k-£300k in the construction year due to loss of admissions and trading income;
- Enables the Museum to invest in to invest in realising future phases of *Project Tullie*.

In this scenario it is anticipated the surplus in 2024/25 would be utilised as follows:

Contingency allowance	£25,000
Contribution to reserves	£52,471
Investment in Project Tullie later phases	£52,471

At this level of surplus, the Museum would replenish its reserves to pre-Phase 1 levels in six years and be able to invest £350k in future phases of *Project Tullie*.

### 9.3.2 Primary Scenario, opening date: 1<sup>st</sup> April 2024

An opening date of 1<sup>st</sup> of April 2024 is proposed. This has been used in year projections presented.

### 9.3.3 Scenario 2, 70,000 visitors per annum

The key changes in this model are:

#### **Income**

- Reduced ticket and gift aid income
- Reduced catering and retail income
- Total reduction in income in 2024/25 compared to 80,000 visitor model: c.£75k

#### **Expenditure**

- No reduction in planned expenditure
- Reduction in surplus to c.£55k, meaning that the Museum will take longer to rebuild its reserves position following the construction phase of *Project Tullie*.

In this scenario it is anticipated the surplus in 2024/25 would be utilised as follows:

Contingency allowance	£25,000
Contribution to reserves	£15,238
Investment in Project Tullie later phases	£15,238

At this level of surplus, the Museum would replenish its reserves to pre-Phase 1 levels in 12+ years and be able to invest £92k in future phases of *Project Tullie*.

## 10. Communications Plan

Communications is a key priority for Tullie House following the development of the Costume Gallery and then *Project Tullie*. Effective communications strategy and practice are critical if Tullie House is to achieve its objectives in the areas of:

- Visitor numbers
- Local engagement, especially around learning



- Related earned income projections
- Hires and business development
- Stakeholder communication and engagement
- Funders and potential funders, advocacy
- Evaluation and Impact assessment

Tullie House is developing a detailed communications strategy for, which will outline the key audiences, tools, objectives and actions for 2020 and beyond to support the Museum in fulfilling the ambitions of the Costume Gallery. A summary of this strategy is presented here.

## Audiences

Tullie House's communications will be tailored to a segmented range of audiences:

### Visitors

- Day visitors to the Carlisle / North Lakes area
- Staying visitors to Cumbria and the Borderlands
- Potential family visitors
- Potential independent adult visitors
- Local communities
- Specialist audiences

### Local

- Local residents
- Local schools and parents
- Local stakeholder and user groups
- Friends and patrons
- Local authority

### Advocacy: Funders and potential funders, other stakeholders

- Friends and patrons
- Trusts and Foundations – funders and potential funders
- Local authorities
- Key influencers
- ACE and other major capital project supporters

### Peers

- Specialist audiences
- Other culture and tourism providers in Cumbria and the Borderlands
- Professional colleagues nationally with shared interest

## Communications Tools and Actions for 2020 and Beyond

Objective	Audience	Comms Tools	Objectives for 2020 and beyond
Visitors	<ul style="list-style-type: none"> <li>– Day visitors to the Carlisle and North Lakes area</li> <li>– Staying visitors to Cumbria</li> <li>– Potential Family visitors</li> <li>– Potential independent adult visitors</li> </ul>	<ul style="list-style-type: none"> <li>– Website and social media</li> <li>– Printed publicity material (leaflets)</li> <li>– Hotels, station, TIC &amp; M6 corridor distribution</li> <li>– Posters</li> <li>– Advertising</li> <li>– Press and Editorial</li> </ul>	<ul style="list-style-type: none"> <li>– Highlight the Costume Gallery in TH print distribution</li> <li>– Add Costume Gallery section to the TH website</li> <li>– Press and editorial around opening, special events and exhibitions</li> </ul>

	<ul style="list-style-type: none"> <li>– Local communities</li> <li>– Specialist and enthusiast audiences</li> </ul>	<ul style="list-style-type: none"> <li>– Direct staff engagement</li> </ul>	<ul style="list-style-type: none"> <li>– Web monitoring</li> <li>– Produce regular press releases for local and specialist media</li> </ul>
Local	<ul style="list-style-type: none"> <li>– Local residents</li> <li>– Local schools and parents</li> <li>– Local stakeholder and user groups</li> <li>– Friends and patrons</li> <li>– Local authority</li> </ul>	<ul style="list-style-type: none"> <li>– Website</li> <li>– Online learning resources</li> <li>– Electronic newsletter,</li> <li>– Social media,</li> <li>– Local press and media</li> <li>– School and community distribution channels established for printed materials</li> </ul>	<ul style="list-style-type: none"> <li>– Add Costume Gallery section to the TH website</li> <li>– Local press and editorial around opening, special events and exhibitions</li> <li>– Produce quarterly e-newsletter, including for schools</li> <li>– Enhance twitter/facebook presence and feed into the website</li> <li>– Produce regular press releases for local and specialist media</li> <li>– Ensure TH print distribution includes schools &amp; community groups</li> </ul>
Advocacy	<ul style="list-style-type: none"> <li>– Key influencers,</li> <li>– Donors</li> <li>– Potential donors</li> <li>– Friends and patrons</li> <li>– Trusts &amp; Foundations</li> <li>– Funders and potential funders</li> <li>– Local authority</li> <li>– ACE and other major capital project supporters</li> </ul>	<ul style="list-style-type: none"> <li>– Case for support,</li> <li>– Annual reports</li> <li>– Press</li> <li>– Website</li> <li>– Direct staff engagement</li> </ul>	<ul style="list-style-type: none"> <li>– Produce and distribute case for support</li> <li>– Include impact and advocacy reporting in annual report and case for support</li> <li>– Produce regular press releases for local and specialist media</li> <li>– Senior staff to map out advocacy plan</li> </ul>
Peers	<ul style="list-style-type: none"> <li>– Specialist audiences</li> <li>– Other culture and tourism providers in Cumbria / Borderlands</li> <li>– Professional colleagues</li> </ul>	<ul style="list-style-type: none"> <li>– Local press, website, social media, Guidance notes</li> </ul>	<ul style="list-style-type: none"> <li>– Renew website</li> <li>– Produce quarterly newsletter, enhance social media (twitter, facebook)</li> <li>– Engage with specialist professional media (e.g. Museum's</li> </ul>

	nationally with shared interest		Journal, Art Newspaper, Art Quarterly etc.)
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## 11. Risk

### Methodology

The register methodology adopted for this plan is the 'xy+x' model, which gives greater weighting to impact over likelihood.<sup>16</sup>

For example an event with medium likelihood (3) but low impact (1) scores 4 ((3x1)+1), whereas an event with medium likelihood (3) and high impact (5) scores 20 ((3x5)+5).

*Minor risks:* Scores under 10 = green

*Moderate risks:* Scores of 10 -19 = amber

*Major risks:* Scores of 20 and above = red

Likelihood of occurrence	High	5	6	12	18	24	30
		4	5	10	15	20	25
		3	4	8	12	16	20
		2	3	6	9	12	15
	Low	1	2	4	6	8	10
			1	2	3	4	5
			Impact				
			Low		High		

### Risk Register

The risk register that follows adopts this 'xy+x' model and each risk is colour coded as above.

The register relates to risks with the operating business model. A risk register relating to specific risks on the capital project is included in the *Project Tullie* Masterplan and is available on request.

### Operational risk register

Risk Identified	Likelihood	Impact	Score	Mitigation/control	Improvements	Action	Review
Visitor numbers							
Targets not met	1	4	12	Detailed market analysis and benchmarking		Director	Quarterly

<sup>16</sup> Adopted from *A toolkit for effective risk management*, Kingston Smith

				used in establishing prudent targets			
				Marketing strategy in place	Continue to develop TH brand and respond to visitor numbers	Director/Comms	Ongoing
				Cost and activities constantly reviewed to ensure activities correlate with earnings	Quarterly management accounts reviewed by the board	Director/Finance	Quarterly
Targets exceeded	3	1	4	Detailed market analysis and benchmarking establishing targets.	Building flexible with capacity for considerably higher than predicted visitor levels. Business model links success with income, therefore extra resources can be channelled to respond to need for extra maintenance, cleaning, staffing etc....	Director/Finance	Quarterly
Visitor Expectations							
Visitor expectations not met	1	4	8	Planning for quality in all aspects of delivery of offer.	Quality monitoring factored into KPIs for regular review	Director / Head of Programme / Head of Collections and Engagement	Quarterly
	1	4	8	Maintain breadth of programme across exhibitions, film and events	Monitoring factored into KPIs for regular review	As above	Ongoing and Quarterly
	1	4	8	Expectations (particularly around programme) to be managed pre and post-opening.	Communications strategy includes being clear about the offer at Tullie House	As above	Ongoing and Quarterly
Communications							
Potential market not aware of Tullie House offer	1	5	10	Communications strategy to be implemented	Communications strategy across all channels respond to research on how potential visitors find out about TH	Communications	Ongoing. Quarterly Comms update to board

Tullie House has low local profile	1	4	8	As above	As above	As above	As above
Operations and earned income							
Catering targets not met	2	4	12	Prudent targets, benchmarked against relevant comparators. Partnership with experienced catering provider	Engagement of board member with specialist skills to advise on management of catering provider	Director/ Finance/ Board	Quarterly
Retail targets not met	2	3	9	Prudent targets, benchmarked against relevant comparators. Staff costs covered by FoH function	Costs and product lines kept under review. Engagement of board member(s) with specialist skills	Director/ Finance/ Board	As above
Development income targets not achieved	3	3	12	Appointment of Fundraiser. Regular review of development performance.	Costs, especially staff costs, kept under review.	Director/ Board	Quarterly
Operational and building costs greater than planned	2	4	12	Allowances have been increased across utilities, maintenance, insurance in response to detailed benchmarking with other organisations. Building designed to environmentally be light-touch.	Potential to attribute more resource to this activity in the higher visitor number scenarios should this result in higher costs.	Director/ Finance	Quarterly
Financial management							
Fraud by staff or consultants	1	4	8	Systems in place involving Tullie House staff and external consultants	Systems continually reviewed and activity across all accounts monitored	Director/ Finance	Annual and ongoing
Organisational development and management							
Failure to recruit skilled key staff	2	3	12	Local communication of opportunities Perception that Tullie House is a good employer.	Demonstrate opportunities to develop within roles	Director / Board	ongoing
Key staff leave during	3	4	16		Organisational and project knowledge spread throughout	All staff and board;	ongoing

capital phase					the organisation and board;		
Governance							
Board does not respond to challenges of capital project	1	3	6	Leadership of Chair and Director.	Successfully meeting key project milestones	Chair/ Director	Ongoing
Exhibitions and Learning Programme							
Costs under-estimated	1	4	8	Programme costs based on existing delivery model	Programme can be flexed to respond to unexpected costs	Director / Head of Programme / Head of Collections and Engagement	Quarterly

## 12. Economic Impact

Tullie House commissioned a 10-year Economic Impact Study to establish the impact of a proposed £17 million capital investment at the museum on the local, regional and wider economy.

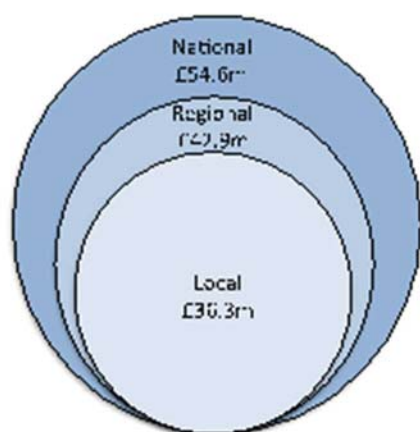
The study assesses the expected impact of the project in terms of volume and value of spend on the local, regional and national economic geographies across a number of sectors.

The business case for the Project Tullie projects 638,000 ticketed visits to the Museum over the 10 year period between 2020/21 - 2029/30.

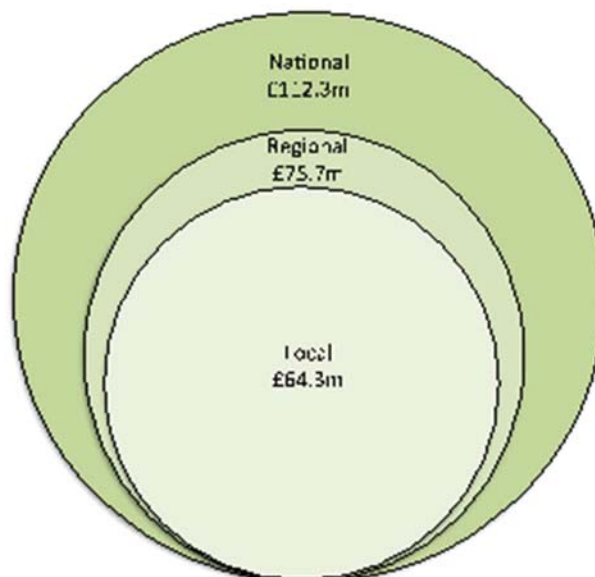
The developments will result in £1.8m of *additional* operational expenditure at Tullie House over the same period (excluding salary costs) and will directly support 35 FTE jobs in the region, with a further 48 FTE jobs supported in the wider economy (indirect and induced Impact).

In addition, the direct spend on construction through contractors and suppliers, will support approximately 50 construction-related jobs throughout the build process.

The study demonstrates that almost £112m will be generated over 10 years of the Economic Impact Study (2020/21-2029/30) through three geographic areas (local, regional and national), as follows:



10 year impact, no project,  
2020/21 – 2029/30



10 year impact, project go-ahead  
2020/21 – 2029/30,  
80,000 ticketed visitors p.a.



## Appendix I: Action Plan 2019-20

Aim		Financial Sustainability		
Objective 1.	Develop an organisational focus on generating greater earned income and delivering efficiency savings			
Deliverables		By Whom	By When	
	1.1	Ensure that staff and trustees are fully engaged in understanding the need to focus organisational effort on income generation. Ensure that recruitment is focused on employing staff with experience of income generation	SLT	Ongoing
	1.2	We will increase admissions to 47,000, a 14% increase on 2017/18. This will be achieved by: <ul style="list-style-type: none"> <li>Rebrand of the Annual Ticket offer to include access to family events; Bespoke marketing campaigns for each exhibition</li> <li>Delivery of exhibition and engagement programmes to target general and cultural tourists linked to our two World Heritage Sites</li> </ul>	SLT	March 2020
	1.3	Increase admissions income (from 2017/18) by 36% (an increase of £35k) by 2020 and achieve Gift Aid target of £15k	SLT	2020
	1.4	Increase shop income by 3% (an increase of £2k) by 2020 (with no capital investment) and increase average profit margin to 50%	HC&E	March 2020
	1.5	Conduct tendering exercise for new caterers to improve the catering offer and increase turnover from 2020/21	HF&R	October 2019
	1.6	Increase income from learning activity (including schools, consultancy, university teaching) by 25% (from 2017/18 baseline) by 2020	HC&E	2020
	1.7	Generate at least £10k of income per year from curatorial research and development (e.g. loans, images, talks)	HC&E	2020
	1.8	Increase the number of Members to 300 by 2020 and Patrons to 30	HP&D	March 2020
	1.9	Developing our exhibitions programme in the following specific ways: <ul style="list-style-type: none"> <li>Develop high quality exhibitions, using minimal expenditure and maximizing efficient use of materials by recycling &amp; reusing</li> <li>Minimise costs by working in partnership, seeking funding opportunities and efficiencies</li> <li>Be clear about our target audience (ref. 1.2), our marketing and how we can maximise income generation opportunities</li> <li>Maximise the income potential of collections and associated events &amp; engagement through the temporary programme</li> <li>Ensure better collaboration via the Programme Executive Group to ensure greater communication across the organisation</li> </ul>	HP&D	Ongoing
	1.10	Commit to reducing our carbon footprint by:	SLT	Ongoing

		<ul style="list-style-type: none"> <li>o Giving staff Carbon Literacy training to all staff and feeding this into our Environmental Action Plans</li> <li>o Agree annual carbon reduction and water consumption targets with Julie's Bicycle based on 2018/19 baseline with progress reviewed annually against targets</li> <li>o Increase energy efficiency through capital redevelopments and incremental improvements</li> <li>o</li> </ul>		March 2020 Q2 2019 Ongoing
	1.11	Update Procurement Policy	Dir	October 2019
<b>Objective 2.</b>	<b>Improve management performance</b>	<b>so that the Senior Leadership Team and Management Team can better manage</b>	By Whom	By When
	2.1	Ensure that the Management Team provide Senior Leadership Team with accurate monthly KPIs so that all levels of management can understand and manage performance effectively	SLT	Ongoing
	2.2	Ensure that the Trust's CRM system (TOR) is fit for purpose, maintained and effective communication with supplier is adhered to.	HC&E & HP&D	March 2020
	2.3	Ensure that the Trust uses its Audience Development Plan to drive up admissions, memberships and earned income to ensure we achieve targets in 1.2	HC&E & HP&D	Ongoing
	2.4	As part of CMC we will fulfil our survey requirements for the Audience Finder prog (380) and the Impact and Insights evaluation programme (four in 2019/20)	HC&E	March 2020
	2.5	Review Emergency Plan by the end of March 2020	SLT	March 2020
<b>Objective 3.</b>	<b>Secure funding to initiate a programme of capital developments designed to generate a significant increase in earned income</b>		By Whom	By When
	3.1	Produce a comprehensive Masterplan showing the development potential of the site over a 15-year period	Dir & HP&P	September 2019
	3.2	Deliver DCMS / Wolfson funded Costume Gallery as Phase 1a of Project Tullie Masterplan, including securing additional funding from other sources (e.g. LEP, Garfield Weston)	Dir, HP&P, HC&E	March 2020
	3.3	Submit capital funding applications to HLF for Phase I of Masterplan	Dir & HP&P	November 2019
	3.4	Continue to undertake a programme of gallery refreshes using restricted reserves: Origins Gallery, Formations Display, new Social History Display	HC&E	March 2019

Objective 4.	Actively increase income from trusts, foundations, individuals and corporates		By Whom	By When
	4.1	Produce Fundraising Strategies for 2020 -2022 to focus on identifying funding opportunities, develop key stakeholder relationships, explore partnership opportunities and support/promote/strengthen charitable messaging. Produce separate fundraising strategy for Project Tullie.	HP&P	March 2020
	4.2	Secure funding to undertake the following curatorial projects: <ul style="list-style-type: none"> <li>o Apply to Designation Development Fund for additional capacity and project funding within the natural Sciences collection</li> <li>o Use Curatorial Trainee post to generate income and increase collections access by April 2020</li> </ul>	HC&E	June 2019
	4.3	Work with our Trustees to develop our capacity to raise more income from fundraising, aiming to raise £100k of contributed income by 2020	Dir & HP&D	March 2020
Community Engagement				
Objective 5.	Focus on developing greater engagement with the Carlisle community			
Deliverables	By Whom	By When		
5.1	HC&E	2022	Across CMC deliver targeted activity programmes for 0-5s in response to high demand and identified potential for growth, with a 5% increase annually on the 18-19 baseline	
5.2	HC&E	March 2020	Ensure access and inclusivity is at the heart of our spaces and programmes: <ul style="list-style-type: none"> <li>o Undertake an audit of our galleries/spaces to identify possible barriers to access.</li> <li>o All staff to attend diversity awareness training.</li> <li>o Explore new, inclusive approaches to interpreting collections in 18-19 and embed in 19-20.</li> <li>o Trial 'relaxed' craft sessions for families with children with SEND</li> <li>o Contribute to CMC target of increasing diversity of groups involved in developing exhibitions by 20% by 2022</li> </ul>	
5.3	HC&E and HP&P	Ongoing	Develop co-production with our communities and embed the Creative Case for Diversity within the organisation. <ul style="list-style-type: none"> <li>o Actively participate in the cross-CMC Creative Case Action Group</li> <li>o Quarterly meetings of the TH CCD Action Group, under strategic development of the Programming Executive Group</li> <li>o Continue to offer diverse artist response opportunities in partnership with Prism Arts</li> </ul>	

		<ul style="list-style-type: none"> <li>Develop ongoing programme of gallery updates using the TH collections and principles of co-creation &amp; CCD</li> <li>As part of CMC, share CCD learning and outcomes with museums across Cumbria</li> </ul>		
5.5		Ensure Collections Management procedures are followed to the highest standards, working towards Level 4 requirements of Accreditation, with the aim of increasing accessibility of collections. Achieve Level 3 and create plan for achieving Level 4 by end of March 2020	HC&E	March 2020
5.7		Develop Contemporary Collecting Programme to acquire and develop collections in partnership with local people, donors and grant giving bodies, including the development of a sector conference	HC&E	December 2019
5.8		Contribute to the production of high quality publications which will support greater understanding of collections <ul style="list-style-type: none"> <li>Academic research</li> <li>Publications relating to collections (2 by 2022)</li> </ul>	HC&E	2022
5.9		Respond to national events and campaigns via social media and our programme	HP&P and HC&E	Ongoing
5.10		Support contemporary artists to offer fresh perspectives on our sites and collections, subject to resources.	HP&P and HC&E	
5.11		Create and deliver programmes that increase the number and range of school pupils engaging with the museum with a 5% annual increase on 18-19 baselines	HC&E	March 2020
5.12		Extend Arts Award provision, contributing to reaching the CMC target of increasing the number of Arts Awards achieved annually by 27% from 776 to 985 by 2022	HC&E	March 2022
5.13		Explore the development of a Carlisle LCEP as part of Carlisle Culture programme	HC&E	March 2020
5.14		Deliver ACE funded programme of activity and participation for Young People at 300 participation days annually and deliver the HLF funded Hope Streets programme (ongoing to 2022).	HC&E	Ongoing
5.15		Deliver targeted activity programmes for families, increasing engagement by family members at 5% annually from 18-19 baselines.	HC&E	2022

5.16	Expand and develop our digital offer as part of CMC: <ul style="list-style-type: none"> <li>o Pilot and deliver programme of virtual assemblies for teachers.</li> <li>o Support cross-departmental digital team to drive digital ambition and increase captured content (filming and live-streaming artists and curator talks etc).</li> <li>o Increase work with artists who create digital work (i.e. Creative Content), conducting scoping exercises and defining best practice by end of 2019 and a pilot project by end of 2022</li> <li>o Deliver digital project with YP group</li> <li>o Ensure each exhibition features an element of creative media</li> </ul>	HC&E and HP&P	March 2020
5.17	Create Volunteer Strategy and explore opportunities for funding with CVS to create Volunteer Coordinator post	HC&E & Dir	March 2020
5.18	Create a delivery plan for the next four years of University of Cumbria MoU focussing on engaging more students with the programme and developing more teaching opportunities.	HP&P and HC&E	March 2020
<b>Objective 6.</b>	<b>Continue to work with hard-to-reach groups within Carlisle and surrounding area</b>	By Whom	By When
6.1	<p>Increase the number of active volunteers by 10% by 2022.</p> <ul style="list-style-type: none"> <li>o Work with CVS to identify fundraising opportunities for Volunteer Coordinator post</li> <li>o Develop Volunteer Strategy</li> <li>o Embed use of the Volunteer Makers platform and use 'blended-volunteering' to broaden the range of volunteering opportunities available by end 20209</li> <li>o Liaise with sector and diversity partners to diversify the range of people able to access volunteer opportunities, including CVS and Prism Arts by 2020</li> </ul>	HR&VA	December 2019 March 2020

	6.2	Develop community and arts engagement with underrepresented groups <ul style="list-style-type: none"> <li>Continue to work with vulnerable adults, with a target of 600 participation days annually</li> <li>Be active participants in the Carlisle Dementia Action Alliance and assist Carlisle's aspiration to become a Dementia Friendly City</li> <li>Projects will be developed with artists from diverse backgrounds</li> </ul>	HC&E	Ongoing
<b>Objective 7.</b>	<b>Strengthening our Hadrian's Wall offer</b>		By Whom	By When
	7.1	Promote and champion links with Hadrian's Wall Partnership through building visitor awareness via internal and external marketing and communications <ul style="list-style-type: none"> <li>Remain a key partner in the Hadrian's Wall Partnership</li> <li>Ensure we maximize the impact of the UNESCO World Heritage brand</li> <li>Develop British Museum links in the interpretation of the Roman Frontier Gallery</li> </ul>	Dir, HP&D & HC&E	Ongoing
	7.2	As CMC Continue to invest time in cultural and tourism marketing partnerships including the Carlisle Cultural Consortium, Lake District China Forum, Japan Forum, Hadrian's Wall Country, Cumbria's Living Heritage and Borderlands.  Play a leading role in cultural partnerships and projects that aim to embed culture into the county's tourism offer, and look to increase engagement with strategic bodies such as the LEP and Britain's Energy Coast to ensure that they promote culture as central to the county's economic wellbeing	Dir. & HP&D	Ongoing
	7.3	Undertake an annual review to assess the productivity of Tullie House's partnership in the above organisations.  Work with partners to further develop the China-UK Wall to Wall initiative between Hadrian's Wall and the Great Wall, including signing up to the Great China Welcome	Dir, HP&P & HC&E	Ongoing
<b>Objective 8.</b>	<b>Develop international audiences from China or with communities interested in Chinese culture</b>		By Whom	By When

8.1	Bring world class collections to Cumbria from China and see collections shared internationally	HP&P and HC&E	March 2020
8.2	<p>Work with local partners / initiatives to attract more international visitors from American and Far East Markets</p> <ul style="list-style-type: none"> <li>• Develop guided tours in Mandarin by end 2019</li> <li>• Work with Carlisle City Council on the England Originals aimed at the American market</li> <li>• Continue to attend Historic Quarter Meetings</li> <li>•</li> </ul>	Dir, DD & HP&P. HC&E	March 2020
8.3	Continue to develop the Chinese Engagement Programme in partnership with the Confucius Institute and as part of 5-year China Plan.	HC&E	Ongoing



Appendix II: Detailed income and expenditure accounts  
Scenario 1: 80,000 visits per annum post-Project Tullie

Summary: Tullie House  
80K ticketed visitors post-Project tullie

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
	Costume Gallery				Project Tullie						
	Opens				Construction				Completion		
	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
	1.00	1.02	1.04	1.06	1.10	1.13	1.15	1.17	1.20	1.22	1.24
Budget	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
NPO Y2	NPO Y3	NPO Y4	NPO Y1	NPO Y2	NPO Y3	NPO Y4					
Footfall	250,000	250,000	250,000	250,000	0	250,000	250,000	250,000	250,000	250,000	250,000
Paid Admissions	40,743	52,966	50,929	50,929	0	84,000	80,000	80,000	80,000	80,000	80,000
Yield	£3.37	£4.69	£4.69	£4.78	£0.00	£6.09	£6.53	£6.53	£6.96	£6.96	£6.96
Income											
Grants (Public)											
Carlisle City Council Management fee	952,961	901,272	882,964	866,205	899,946	917,944	936,303	955,029	974,130	993,613	1,013,485
Carlisle City Council Central Services	33,108	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
ACE NPO	399,165	399,165	399,165	399,165	399,165	399,165	399,165	399,165	399,165	399,165	399,165
NPO admin recharge to partners	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Exhibition Tax Relief (HMRC)	35,000	0	0	0	0	0	0	0	0	0	0
Grants (core) subtotal	1,440,234	1,328,437	1,310,129	1,293,370	1,327,111	1,345,109	1,363,468	1,382,194	1,401,295	1,420,778	1,440,650
Other Grants and Sponsorship											
HLF Resilience	49,850	0	0	0	0	0	0	0	0	0	0
Cumbria County Council	10,000	0	0	0	0	0	0	0	0	0	0
Headley Trust	30,000	0	0	0	0	0	0	0	0	0	0
DCMS Wolfson (Costume Gallery)	252,675	0	0	0	0	0	0	0	0	0	0
LEP / Garfield Weston	270,000	0	0	0	0	0	0	0	0	0	0
Other grants	185,233	150,000	153,000	156,060	159,181	162,365	165,612	168,924	172,303	175,749	179,264
Donations	23,600	10,000	10,000	10,000	10,000	15,000	20,000	25,000	30,000	30,000	30,000
Other grants & sponsorship subtotal	821,358	160,000	163,000	166,060	169,181	177,365	185,612	193,924	202,303	205,749	209,264
Admissions											
Admissions Income (net of VAT)	126,477	228,329	219,549	223,940	0	460,872	470,277	470,277	501,629	501,629	501,629
Gift Aid	11,000	19,858	19,095	19,477	0	50,696	51,731	51,731	55,179	55,179	55,179
Tullie Card	0	0	0	0	0	0	0	0	0	0	0
Membership	5,000	5,000	5,000	5,000	0	7,000	7,000	7,000	7,000	7,000	7,000
Admissions subtotal	142,477	253,188	243,643	248,416	0	518,568	529,008	529,008	563,808	563,808	563,808

Trading (net income)											
Retail	31,500	41,769	40,966	41,785	0	85,680	83,232	84,897	86,595	88,326	90,093
Catering	27,500	35,000	45,000	45,450	0	67,331	70,698	74,233	77,944	81,842	83,478
Events	27,000	28,500	30,000	32,000	0	24,480	24,970	25,469	25,978	26,498	27,028
Monday alternative and other	2,500	1,363	1,391	1,418	1,447	1,476	1,505	1,535	1,566	1,597	1,629
Trading (net of direct costs) subtotal	88,500	106,632	117,356	120,654	1,447	178,967	180,405	186,134	192,083	198,263	202,229
Learning income	37,000	37,762	38,518	39,288	0	40,875	41,693	42,527	43,377	44,245	45,130
Talks and other income/charges	13,000	13,260	13,525	13,796	0	30,308	30,914	31,532	32,163	32,806	33,462
Interest and investments	6,000	6,000	6,000	6,000	0	500	1,000	1,500	2,000	2,500	3,000
Central Charges Contribution											
ACE	38,500	38,500	38,500	38,500	38,500	38,500	38,500	38,500	38,500	38,500	38,500
CBDC	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500
Subtotal Central Charges	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000
Total Museum income	2,599,569	1,956,279	1,943,171	1,938,584	1,548,738	2,342,692	2,383,100	2,417,819	2,488,030	2,519,149	2,548,543
CBDC income (gross)											
Income	71,000	72,420	73,868	75,346	76,853	78,390	79,958	81,557	83,188	84,852	86,549
CBDC trading profit	16,303	16,303	16,303	16,303	16,303	16,303	16,303	16,303	16,303	16,303	16,303
Subtotal CBDC income	87,303	88,723	90,171	91,649	93,156	94,693	96,261	97,860	99,491	101,155	102,852
Total income	2,686,872	2,045,002	2,033,343	2,030,233	1,641,894	2,437,385	2,479,360	2,515,679	2,587,521	2,620,304	2,651,394

Expenditure											
Staffing											
Salaries (Trust only) and on costs	873,677	847,537	804,581	832,899	864,513	874,796	879,317	896,904	914,842	933,139	951,801
Additional Development and Marketing Staff	0	0	0	0	85,000	86,700	88,434	90,203	92,007	93,847	95,724
Additional hours	53,300	54,366	55,453	56,562	0	58,848	60,024	61,225	62,449	63,698	64,972
ACE NPO salaries	37,275	38,021	38,781	39,557	40,348	41,155	41,978	42,817	43,674	44,547	45,438
Travel and subsistence	12,000	12,240	12,485	12,734	12,989	13,249	13,514	13,784	14,060	14,341	14,628
Restructure allowance (one off)	0	0	0	0	0	0	0	0	0	0	0
Pension rebate & NI allowance	0	0	0	0	0	0	0	0	0	0	0
Uniforms	0	0	0	0	0	0	0	0	0	0	0
Subtotal staffing expenditure	£976,252	£952,163	£911,300	£941,752	£1,002,850	£1,074,747	£1,083,267	£1,104,933	£1,127,031	£1,149,572	£1,172,564

<b>Exhibitions and Projects</b>													
Projects	92,750	0	0	0	0	0	0	0	0	0	0	0	0
Project Tullie	50,000												
Costume Gallery	584,000												
Exhibitions and Projects post 19/20	116,200	150,000	153,000	156,060		0	162,365	165,612	168,924	172,303	175,749	179,264	
ACE / CMC Expenditure	144,890	144,890	144,890	144,890	144,890	144,890	144,890	144,890	144,890	144,890	144,890	144,890	
<b>Subtotal exhibitions and projects expenditure</b>	<b>987,840</b>	<b>294,890</b>	<b>297,890</b>	<b>300,950</b>	<b>144,890</b>	<b>144,890</b>	<b>307,255</b>	<b>310,502</b>	<b>313,814</b>	<b>317,193</b>	<b>320,639</b>	<b>324,154</b>	
<b>Utilities</b>	<b>143,000</b>	<b>148,720</b>	<b>154,669</b>	<b>160,856</b>	<b>80,428</b>	<b>188,700</b>	<b>192,474</b>	<b>196,323</b>	<b>200,250</b>	<b>204,255</b>	<b>208,340</b>		
<b>Operational Expenditure</b>													
Rent & Business rates	65,000	66,300	67,626	68,979	70,358	71,765	73,201	74,665	76,158	77,681	79,235		
Equipment & Materials	28,100	28,662	29,235	29,820	30,416	31,025	31,645	32,278	32,924	33,582	34,254		
Security & Maintenance	53,900	54,978	56,078	57,199	58,343	59,620	60,813	62,029	63,270	64,535	65,826		
Depreciation	54,000	55,080	56,182	57,305	58,451	59,620	60,813	62,029	63,270	64,535	65,826		
Professional Fees & Insurance	60,000	61,200	62,424	63,672	64,946	66,245	67,570	68,921	70,300	71,706	73,140		
IT Services	40,000	40,800	41,616	42,448	43,297	44,163	45,046	45,947	46,866	47,804	48,760		
Cleaning	38,400	39,168	39,951	40,750	41,565	42,397	43,245	44,110	44,992	45,892	46,809		
General Office Expenses	24,160	24,643	25,136	25,639	26,152	26,675	27,208	27,752	28,307	28,873	29,451		
Marketing & Fundraising	35,500	36,210	36,934	37,673	38,426	39,195	39,979	40,778	41,594	42,426	43,274		
Training	13,750	14,025	14,306	14,592	14,883	15,181	15,485	15,794	16,110	16,433	16,761		
Subscriptions & Licences	28,500	29,070	29,651	30,244	30,849	31,466	32,096	32,738	33,392	34,060	34,741		
Bank & Credit card charges	3,350	2,569	2,504	2,664	2,610	2,636	2,661	2,688	2,714	2,740	2,767		
<b>Subtotal operational expenditure</b>	<b>444,660</b>	<b>452,705</b>	<b>461,643</b>	<b>470,986</b>	<b>480,298</b>	<b>505,368</b>	<b>515,448</b>	<b>525,730</b>	<b>536,217</b>	<b>546,914</b>	<b>557,824</b>		
<b>Trading</b>													
Salaries	61,652	62,885	64,142	65,425	81,299	71,884	73,322	74,788	76,284	77,810	79,366		
Operational costs	30,500	31,110	31,732	32,367	33,014	33,674	34,348	35,035	35,736	36,450	37,179		
<b>Central costs allocated to trading</b>	<b>92,152</b>	<b>93,995</b>	<b>95,874</b>	<b>97,792</b>	<b>114,313</b>	<b>105,559</b>	<b>107,670</b>	<b>109,823</b>	<b>112,020</b>	<b>114,260</b>	<b>116,545</b>		
<b>Capital renewal allowance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>		
<b>Total Museum expenditure</b>	<b>£2,643,903</b>	<b>£1,942,473</b>	<b>£1,921,377</b>	<b>£1,972,335</b>	<b>£1,822,779</b>	<b>£2,206,628</b>	<b>£2,234,361</b>	<b>£2,275,624</b>	<b>£2,317,711</b>	<b>£2,360,640</b>	<b>£2,404,427</b>		
<b>CBDC Costs</b>													
CBDC Staffing	£94,215	£93,137	£95,000	£96,900	£98,838	£100,815	£102,831	£104,888	£106,985	£109,125	£111,308		
Other costs	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0		
<b>CBDC Costs</b>	<b>£94,215</b>	<b>£93,137</b>	<b>£95,000</b>	<b>£96,900</b>	<b>£98,838</b>	<b>£100,815</b>	<b>£102,831</b>	<b>£104,888</b>	<b>£106,985</b>	<b>£109,125</b>	<b>£111,308</b>		
<b>Total Expenditure</b>	<b>£2,738,118</b>	<b>£2,035,610</b>	<b>£2,016,377</b>	<b>£2,069,235</b>	<b>£1,921,617</b>	<b>£2,307,443</b>	<b>£2,337,192</b>	<b>£2,380,511</b>	<b>£2,424,696</b>	<b>£2,469,765</b>	<b>£2,515,734</b>		

Surplus (Deficit)	(£51,246)	£9,392	£16,966	(£39,003)	(£279,723)	£129,942	£142,168	£135,168	£162,824	£150,539	£135,660
Contingency allowance	0	0	0	0	0	25,000	25,000	25,000	25,000	25,000	25,000
Contribution to reserves	0	9,392	16,966	(39,003)	(279,723)	52,471	58,584	55,084	68,912	62,770	55,330
Investment in Project Tullie later phases	0	0	0	0	0	52,471	58,584	55,084	68,912	62,770	55,330

Scenario 2: 70,000 visits per annum post-Project Tullie

Summary: Tullie House  
70K ticketed visits post-Project tullie

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
Costume Gallery											
Opens											
	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
	1.00	1.02	1.04	1.06	1.08	1.10	1.13	1.15	1.17	1.20	1.22
Budget	Budget	Budget	Budget	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
NPO Y2	NPO Y3	NPO Y4									
Footfall	250,000	250,000	250,000	250,000	0	250,000	250,000	250,000	250,000	250,000	250,000
Paid Admissions (inc Tullie Card)	40,743	52,966	50,929	50,929	0	75,000	70,000	70,000	70,000	70,000	70,000
Yield	£3.37	£4.69	£4.69	£4.78	£0.00	£5.96	£6.39	£6.39	£6.82	£6.82	£6.82

Income

Grants (Public)											
Carlisle City Council Management fee	952,961	901,272	882,964	866,205	899,946	917,944	936,303	955,029	974,130	993,613	1,013,485
Carlisle City Council Central Services	33,108	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
ACE NPO	399,165	399,165	399,165	399,165	399,165	399,165	399,165	399,165	399,165	399,165	399,165
NPO admin recharge to partners	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Exhibition Tax Relief (HMRC)	35,000	0	0	0	0	0	0	0	0	0	0
Grants (core) subtotal	1,440,234	1,328,437	1,310,129	1,293,370	1,327,111	1,345,109	1,363,468	1,382,194	1,401,295	1,420,778	1,440,650

Other Grants and Sponsorship											
HLF Resilience	49,850	0	0	0	0	0	0	0	0	0	0
Cumbria County Council	10,000	0	0	0	0	0	0	0	0	0	0
Headley Trust	30,000	0	0	0	0	0	0	0	0	0	0
DCMS Wolfson (Costume Gallery)	252,675	0	0	0	0	0	0	0	0	0	0
LEP / Garfield Weston	270,000	0	0	0	0	0	0	0	0	0	0
Other grants	185,233	150,000	153,000	156,060	159,181	162,365	165,612	168,924	172,303	175,749	179,264
Donations	23,600	10,000	10,000	10,000	10,000	15,000	20,000	25,000	30,000	30,000	30,000
Other grants & sponsorship subtotal	821,358	160,000	163,000	166,060	169,181	177,365	185,612	193,924	202,303	205,749	209,264

Admissions											
Admissions Income (net of VAT)	126,477	228,329	219,549	223,940	0	411,493	411,493	411,493	438,926	438,926	438,926
Gift Aid	11,000	19,858	19,095	19,477	0	35,788	35,788	35,788	38,174	38,174	38,174
Tullie Card	0	0	0	0	0	0	0	0	0	0	0
Membership	5,000	5,000	5,000	5,000	0	6,000	6,000	6,000	6,000	6,000	6,000
Admissions subtotal	142,477	253,188	243,643	248,416	0	453,281	453,281	453,281	483,100	483,100	483,100

<b>Trading (net income)</b>													
Retail	31,500	41,769	40,966	41,785	0	76,500	72,828	74,285	75,770	77,286	78,831		
Catering	27,500	35,000	45,000	45,450	0	67,331	70,698	74,233	77,944	81,842	83,478		
Events	27,000	28,500	30,000	32,000	0	24,480	24,970	25,469	25,978	26,498	27,028		
Monday alternative and other	2,500	1,363	1,391	1,418	1,447	1,476	1,505	1,535	1,566	1,597	1,629		
<b>Trading (net of direct costs) subtotal</b>	<b>88,500</b>	<b>106,632</b>	<b>117,356</b>	<b>120,654</b>	<b>1,447</b>	<b>169,787</b>	<b>170,001</b>	<b>175,522</b>	<b>181,259</b>	<b>187,222</b>	<b>190,967</b>		
<b>Learning income</b>													
	<b>37,000</b>	<b>37,762</b>	<b>38,518</b>	<b>39,288</b>	<b>0</b>	<b>40,875</b>	<b>41,693</b>	<b>42,527</b>	<b>43,377</b>	<b>44,245</b>	<b>45,130</b>		
<b>Talks and other income/charges</b>													
	<b>13,000</b>	<b>13,260</b>	<b>13,525</b>	<b>13,796</b>	<b>0</b>	<b>30,308</b>	<b>30,914</b>	<b>31,532</b>	<b>32,163</b>	<b>32,806</b>	<b>33,462</b>		
<b>Interest and investments</b>													
	<b>6,000</b>	<b>6,000</b>	<b>6,000</b>	<b>6,000</b>	<b>0</b>	<b>500</b>	<b>1,000</b>	<b>1,500</b>	<b>2,000</b>	<b>2,500</b>	<b>3,000</b>		
<b>Central Charges Contribution</b>													
ACE	38,500	38,500	38,500	38,500	38,500	38,500	38,500	38,500	38,500	38,500	38,500	38,500	38,500
CBDC	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500
<b>Subtotal Central Charges</b>	<b>51,000</b>	<b>51,000</b>	<b>51,000</b>	<b>51,000</b>	<b>51,000</b>	<b>51,000</b>	<b>51,000</b>	<b>51,000</b>	<b>51,000</b>	<b>51,000</b>	<b>51,000</b>	<b>51,000</b>	<b>51,000</b>
<b>Total Museum income</b>	<b>2,599,569</b>	<b>1,956,279</b>	<b>1,943,171</b>	<b>1,938,584</b>	<b>1,548,738</b>	<b>2,268,226</b>	<b>2,296,969</b>	<b>2,331,481</b>	<b>2,396,497</b>	<b>2,427,400</b>	<b>2,456,573</b>		
<b>CBDC income (gross)</b>													
Income	71,000	72,420	73,868	75,346	76,853	78,390	79,958	81,557	83,188	84,852	86,549		
CBDC trading profit	16,303	16,303	16,303	16,303	16,303	16,303	16,303	16,303	16,303	16,303	16,303	16,303	16,303
<b>Subtotal CBDC income</b>	<b>87,303</b>	<b>88,723</b>	<b>90,171</b>	<b>91,649</b>	<b>93,156</b>	<b>94,693</b>	<b>96,261</b>	<b>97,860</b>	<b>99,491</b>	<b>101,155</b>	<b>102,852</b>		
<b>Total income</b>	<b>2,686,872</b>	<b>2,045,002</b>	<b>2,033,343</b>	<b>2,030,233</b>	<b>1,641,894</b>	<b>2,362,918</b>	<b>2,393,230</b>	<b>2,429,340</b>	<b>2,495,988</b>	<b>2,528,555</b>	<b>2,559,424</b>		

## Expenditure

<b>Staffing</b>													
Salaries (Trust only) and on costs	873,677	847,537	804,581	832,899	864,513	874,796	879,317	896,904	914,842	933,139	951,801		
Additional Development and Marketing Staff	0	0	0	0	85,000	86,700	88,434	90,203	92,007	93,847	95,724		
Additional hours	53,300	54,366	55,453	56,562	0	58,848	60,024	61,225	62,449	63,698	64,972		
ACE MPM/NPO salaries	37,275	38,021	38,781	39,557	40,348	41,155	41,978	42,817	43,674	44,547	45,438		
Travel and subsistence	12,000	12,240	12,485	12,734	12,989	13,249	13,514	13,784	14,060	14,341	14,628		
Restructure allowance (one off)	0	0	0	0	0	0	0	0	0	0	0	0	0
Pension rebate & NI allowance	0	0	0	0	0	0	0	0	0	0	0	0	0
Uniforms	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Subtotal staffing expenditure</b>	<b>£976,252</b>	<b>£952,163</b>	<b>£911,300</b>	<b>£941,752</b>	<b>£1,002,850</b>	<b>£1,074,747</b>	<b>£1,083,267</b>	<b>£1,104,933</b>	<b>£1,127,031</b>	<b>£1,149,572</b>	<b>£1,172,564</b>		



<b>Exhibitions and Projects</b>													
Projects	92,750	0	0	0	0	0	0	0	0	0	0	0	0
Project Tullie	50,000												
Costume Gallery	584,000												
Exhibitions and Projects post 19/20	116,200	150,000	153,000	156,060	0	162,365	165,612	168,924	172,303	175,749	179,264		
ACE / CMC Expenditure	144,890	144,890	144,890	144,890	144,890	144,890	144,890	144,890	144,890	144,890	144,890		
<b>Subtotal exhibitions and projects expenditure</b>	<b>987,840</b>	<b>294,890</b>	<b>297,890</b>	<b>300,950</b>	<b>144,890</b>	<b>307,255</b>	<b>310,502</b>	<b>313,814</b>	<b>317,193</b>	<b>320,639</b>	<b>324,154</b>		
<b>Utilities</b>													
	<b>143,000</b>	<b>148,720</b>	<b>154,669</b>	<b>160,856</b>	<b>80,428</b>	<b>188,700</b>	<b>192,474</b>	<b>196,323</b>	<b>200,250</b>	<b>204,255</b>	<b>208,340</b>		
<b>Operational Expenditure</b>													
Rent & Business rates	65,000	66,300	67,626	68,979	70,358	71,765	73,201	74,665	76,158	77,681	79,235		
Equipment & Materials	28,100	28,662	29,235	29,820	30,416	31,025	31,645	32,278	32,924	33,582	34,254		
Security & Maintenance	53,900	54,978	56,078	57,199	58,343	59,500	60,657	61,814	62,971	64,128	65,285		
Depreciation	54,000	55,080	56,182	57,305	58,451	59,620	60,813	62,029	63,270	64,535	65,826		
Professional Fees & Insurance	60,000	61,200	62,424	63,672	64,946	66,245	67,570	68,921	70,300	71,706	73,140		
IT Services	40,000	40,800	41,616	42,448	43,297	44,163	45,046	45,947	46,866	47,804	48,760		
Cleaning	38,400	39,168	39,951	40,750	41,565	42,397	43,245	44,110	44,992	45,892	46,809		
General Office Expenses	24,160	24,643	25,136	25,639	26,152	26,675	27,208	27,752	28,307	28,873	29,451		
Marketing & Fundraising	35,500	36,210	36,934	37,673	38,426	39,195	39,979	40,778	41,594	42,426	43,274		
Training	13,750	14,025	14,306	14,592	14,883	15,181	15,485	15,794	16,110	16,433	16,761		
Subscriptions & Licences	28,500	29,070	29,651	30,244	30,849	31,466	32,096	32,738	33,392	34,060	34,741		
Bank & Credit card charges	3,350	2,569	2,504	2,664	2,610	2,636	2,661	2,688	2,714	2,740	2,767		
<b>Subtotal operational expenditure</b>	<b>444,660</b>	<b>452,705</b>	<b>461,643</b>	<b>470,986</b>	<b>480,298</b>	<b>505,368</b>	<b>515,448</b>	<b>525,730</b>	<b>536,217</b>	<b>546,914</b>	<b>557,824</b>		
<b>Trading</b>													
Salaries	61,652	62,885	64,142	65,425	81,299	71,884	73,322	74,788	76,284	77,810	79,366		
Operational costs	30,500	31,110	31,732	32,367	33,014	33,674	34,348	35,035	35,736	36,450	37,179		
<b>Central costs allocated to trading</b>	<b>92,152</b>	<b>93,995</b>	<b>95,874</b>	<b>97,792</b>	<b>114,313</b>	<b>105,559</b>	<b>107,670</b>	<b>109,823</b>	<b>112,020</b>	<b>114,260</b>	<b>116,545</b>		
<b>Capital renewal allowance</b>													
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>		
<b>Total Museum expenditure</b>	<b>£2,643,903</b>	<b>£1,942,473</b>	<b>£1,921,377</b>	<b>£1,972,335</b>	<b>£1,822,779</b>	<b>£2,206,628</b>	<b>£2,234,361</b>	<b>£2,275,624</b>	<b>£2,317,711</b>	<b>£2,360,640</b>	<b>£2,404,427</b>		
<b>CBDC Costs</b>													
CBDC Staffing	£94,215	£93,137	£95,000	£96,900	£98,838	£100,815	£102,831	£104,888	£106,985	£109,125	£111,308		
Other costs	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0		
<b>CBDC Costs</b>	<b>£94,215</b>	<b>£93,137</b>	<b>£95,000</b>	<b>£96,900</b>	<b>£98,838</b>	<b>£100,815</b>	<b>£102,831</b>	<b>£104,888</b>	<b>£106,985</b>	<b>£109,125</b>	<b>£111,308</b>		
<b>Total Expenditure</b>	<b>£2,738,118</b>	<b>£2,035,610</b>	<b>£2,016,377</b>	<b>£2,069,235</b>	<b>£1,921,617</b>	<b>£2,307,443</b>	<b>£2,337,192</b>	<b>£2,380,511</b>	<b>£2,424,696</b>	<b>£2,469,765</b>	<b>£2,515,734</b>		

Surplus (Deficit)	(£51,246)	£9,392	£16,966	(£39,003)	(£279,723)	£55,476	£56,037	£48,829	£71,291	£58,790	£43,690
Contingency allowance	0	0	0	0	0	25,000	25,000	25,000	25,000	25,000	25,000
Contribution to reserves	0	9,392	16,966	(39,003)	(279,723)	15,238	15,519	11,914	23,146	16,895	9,345
Investment in Project Tullie later phases	0	0	0	0	0	15,238	15,519	11,914	23,146	16,895	9,345



Scenario 3: 60,000 visits per annum post-Project Tullie

Summary: Tullie House

60K ticketed visits post-Project tullie

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
Costume Gallery			Project Tullie								
Opens			Construction			Re-opening					
2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
1.00	1.02	1.04	1.06	1.13	1.15	1.17	1.20	1.22	1.24	1.27	
Budget	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
NPO Y2	NPO Y3	NPO Y4									
Footfall	250,000	250,000	250,000	0	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Paid Admissions	40,743	52,966	50,929	0	65,000	60,000	60,000	60,000	60,000	60,000	60,000
Yield	£3.37	£4.69	£4.69	£4.78	£0.00	£6.53	£6.53	£6.96	£6.96	£6.96	£6.96
Income											
Grants (Public)											
Carlisle City Council Management fee	952,961	901,272	882,964	866,205	899,946	917,944	936,303	955,029	974,130	993,613	1,013,485
Carlisle City Council Central Services	33,108	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
ACE NPO	399,165	399,165	399,165	399,165	399,165	399,165	399,165	399,165	399,165	399,165	399,165
NPO admin recharge to partners	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Exhibition Tax Relief (HMRC)	35,000	0	0	0	0	0	0	0	0	0	0
Grants (core) subtotal	1,440,234	1,328,437	1,310,129	1,293,370	1,327,111	1,345,109	1,363,468	1,382,194	1,401,295	1,420,778	1,440,650
Other Grants and Sponsorship											
HLF Resilience	49,850	0	0	0	0	0	0	0	0	0	0
Cumbria County Council	10,000	0	0	0	0	0	0	0	0	0	0
Headley Trust	30,000	0	0	0	0	0	0	0	0	0	0
DCMS Wolfson (Costume Gallery)	252,675	0	0	0	0	0	0	0	0	0	0
LEP / Garfield Weston	270,000	0	0	0	0	0	0	0	0	0	0
Other grants	185,233	150,000	153,000	156,060	159,181	162,365	165,612	168,924	172,303	175,749	179,264
Donations	23,600	10,000	10,000	10,000	10,000	15,000	20,000	25,000	30,000	30,000	30,000
Other grants & sponsorship subtotal	821,358	160,000	163,000	166,060	169,181	177,365	185,612	193,924	202,303	205,749	209,264
Admissions											
Admissions Income (net of VAT)	126,477	228,329	219,549	223,940	0	356,627	352,708	352,708	376,222	376,222	376,222
Gift Aid	11,000	19,858	19,095	19,477	0	39,229	38,798	38,798	41,384	41,384	41,384
Membership	5,000	5,000	5,000	5,000	0	6,000	6,000	6,000	6,000	6,000	6,000
Admissions subtotal	142,477	253,188	243,643	248,416	0	401,856	397,506	397,506	423,606	423,606	423,606

<b>Trading (net income)</b>													
Retail	31,500	41,769	40,966	41,785	0	66,300	62,424	63,672	64,946	66,245	67,570		
Catering	27,500	35,000	45,000	45,450	0	67,331	70,698	74,233	77,944	81,842	83,478		
Events	27,000	28,500	30,000	32,000	0	24,480	24,970	25,469	25,978	26,498	27,028		
Monday alternative and other	2,500	1,363	1,391	1,418	1,447	1,476	1,505	1,535	1,566	1,597	1,629		
<b>Trading (net of direct costs) subtotal</b>	<b>88,500</b>	<b>106,632</b>	<b>117,356</b>	<b>120,654</b>	<b>1,447</b>	<b>159,587</b>	<b>159,597</b>	<b>164,909</b>	<b>170,435</b>	<b>176,182</b>	<b>179,705</b>		
<b>Learning income</b>													
	<b>37,000</b>	<b>37,762</b>	<b>38,518</b>	<b>39,288</b>	<b>0</b>	<b>40,875</b>	<b>41,693</b>	<b>42,527</b>	<b>43,377</b>	<b>44,245</b>	<b>45,130</b>		
<b>Talks and other income/charges</b>													
	<b>13,000</b>	<b>13,260</b>	<b>13,525</b>	<b>13,796</b>	<b>0</b>	<b>30,308</b>	<b>30,914</b>	<b>31,532</b>	<b>32,163</b>	<b>32,806</b>	<b>33,462</b>		
<b>Interest and investments</b>													
	<b>6,000</b>	<b>6,000</b>	<b>6,000</b>	<b>6,000</b>	<b>6,000</b>	<b>500</b>	<b>1,000</b>	<b>1,500</b>	<b>2,000</b>	<b>2,500</b>	<b>3,000</b>		
<b>Central Charges Contribution</b>													
ACE	38,500	38,500	38,500	38,500	38,500	38,500	38,500	38,500	38,500	38,500	38,500		
CBDC	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500		
<b>Subtotal Central Charges</b>	<b>51,000</b>	<b>51,000</b>	<b>51,000</b>	<b>51,000</b>	<b>51,000</b>	<b>51,000</b>	<b>51,000</b>	<b>51,000</b>	<b>51,000</b>	<b>51,000</b>	<b>51,000</b>		
<b>Total Museum income</b>	<b>2,599,569</b>	<b>1,956,279</b>	<b>1,943,171</b>	<b>1,938,584</b>	<b>1,554,738</b>	<b>2,206,600</b>	<b>2,230,790</b>	<b>2,265,093</b>	<b>2,326,179</b>	<b>2,356,866</b>	<b>2,385,817</b>		
<b>CBDC income (gross)</b>													
Income	71,000	72,420	73,868	75,346	76,853	78,390	79,958	81,557	83,188	84,852	86,549		
CBDC trading profit	16,303	16,303	16,303	16,303	16,303	16,303	16,303	16,303	16,303	16,303	16,303		
<b>Subtotal CBDC income</b>	<b>87,303</b>	<b>88,723</b>	<b>90,171</b>	<b>91,649</b>	<b>93,156</b>	<b>94,693</b>	<b>96,261</b>	<b>97,860</b>	<b>99,491</b>	<b>101,155</b>	<b>102,852</b>		
<b>Total income</b>	<b>2,686,872</b>	<b>2,045,002</b>	<b>2,033,343</b>	<b>2,030,233</b>	<b>1,647,894</b>	<b>2,301,293</b>	<b>2,327,050</b>	<b>2,362,953</b>	<b>2,425,670</b>	<b>2,458,020</b>	<b>2,488,669</b>		

## Expenditure

<b>Staffing</b>													
Salaries (Trust only) and on costs	873,677	847,537	804,581	832,899	864,513	874,796	879,317	896,904	914,842	933,139	951,801		
Additional Development and Marketing Staff	0	0	0	0	85,000	51,000	52,020	53,060	54,122	55,204	56,308		
Additional hours	53,300	54,366	55,453	56,562	0	58,848	60,024	61,225	62,449	63,698	64,972		
ACE MPM/NPO salaries	37,275	38,021	38,781	39,557	40,348	41,155	41,978	42,817	43,674	44,547	45,438		
Travel and subsistence	12,000	12,240	12,485	12,734	12,989	13,249	13,514	13,784	14,060	14,341	14,628		
Restructure allowance (one off)	0	0	0	0	0	0	0	0	0	0	0		
Pension rebate & NI allowance	0	0	0	0	0	0	0	0	0	0	0		
Uniforms	0	0	0	0	0	0	0	0	0	0	0		
<b>Subtotal staffing expenditure</b>	<b>£976,252</b>	<b>£952,163</b>	<b>£911,300</b>	<b>£941,752</b>	<b>£1,002,850</b>	<b>£1,039,047</b>	<b>£1,046,853</b>	<b>£1,067,791</b>	<b>£1,089,146</b>	<b>£1,110,929</b>	<b>£1,133,148</b>		

<b>Exhibitions and Projects</b>													
Projects	92,750	0	0	0	0	0	0	0	0	0	0	0	0
Project Tullie	50,000												
Costume Gallery	584,000												
Exhibitions and Projects post 19/20	116,200	150,000	153,000	156,060	0	162,365	165,612	168,924	172,303	175,749		179,264	
ACE / CMC Expenditure	144,890	144,890	144,890	144,890	144,890	144,890	144,890	144,890	144,890	144,890		144,890	
<b>Subtotal exhibitions and projects expenditure</b>	<b>987,840</b>	<b>294,890</b>	<b>297,890</b>	<b>300,950</b>	<b>144,890</b>	<b>307,255</b>	<b>310,502</b>	<b>313,814</b>	<b>317,193</b>	<b>320,639</b>		<b>324,154</b>	
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<b>Utilities</b>	<b>143,000</b>	<b>148,720</b>	<b>154,669</b>	<b>160,856</b>	<b>80,428</b>	<b>188,700</b>	<b>192,474</b>	<b>196,323</b>	<b>200,250</b>	<b>204,255</b>		<b>208,340</b>	
<hr/>													
<b>Operational Expenditure</b>													
Rent & Business rates	65,000	66,300	67,626	68,979	70,358	71,765	73,201	74,665	76,158	77,681		79,235	
Equipment & Materials	28,100	28,662	29,235	29,820	30,416	31,025	31,645	32,278	32,924	33,582		34,254	
Security & Maintenance	53,900	54,978	56,078	57,199	58,343	59,500	60,670	61,843	63,024	64,211		65,402	
Depreciation	54,000	55,080	56,182	57,305	58,451	59,620	60,813	62,029	63,270	64,535		65,826	
Professional Fees & Insurance	60,000	61,200	62,424	63,672	64,946	66,245	67,570	68,921	70,300	71,706		73,140	
IT Services	40,000	40,800	41,616	42,448	43,297	44,163	45,046	45,947	46,866	47,804		48,760	
Cleaning	38,400	39,168	39,951	40,750	41,565	42,397	43,245	44,110	44,992	45,892		46,809	
General Office Expenses	24,160	24,643	25,136	25,639	26,152	26,675	27,208	27,752	28,307	28,873		29,451	
Marketing & Fundraising	35,500	36,210	36,934	37,673	38,426	39,195	39,979	40,778	41,594	42,426		43,274	
Training	13,750	14,025	14,306	14,592	14,883	15,181	15,485	15,794	16,110	16,433		16,761	
Subscriptions & Licences	28,500	29,070	29,651	30,244	30,849	31,466	32,096	32,738	33,392	34,060		34,741	
Bank & Credit card charges	3,350	2,569	2,504	2,664	2,610	2,636	2,661	2,688	2,714	2,740		2,767	
<b>Subtotal operational expenditure</b>	<b>444,660</b>	<b>452,705</b>	<b>461,643</b>	<b>470,986</b>	<b>480,298</b>	<b>505,368</b>	<b>515,448</b>	<b>525,730</b>	<b>536,217</b>	<b>546,914</b>		<b>557,824</b>	
<hr/>													
<b>Trading</b>													
Salaries	61,652	62,885	64,142	65,425	66,732	68,064	69,421	70,794	72,182	73,585		75,000	
Operational costs	30,500	31,110	31,732	32,367	33,014	33,674	34,348	35,035	35,736	36,450		37,179	
<b>Central costs allocated to trading</b>	<b>92,152</b>	<b>93,995</b>	<b>95,874</b>	<b>97,792</b>	<b>114,313</b>	<b>105,559</b>	<b>107,670</b>	<b>109,823</b>	<b>112,020</b>	<b>114,260</b>		<b>116,545</b>	
<hr/>													
<b>Capital renewal allowance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>		<b>25,000</b>	
<hr/>													
<b>Total Museum expenditure</b>	<b>£2,643,903</b>	<b>£1,942,473</b>	<b>£1,921,377</b>	<b>£1,972,335</b>	<b>£1,822,779</b>	<b>£2,170,928</b>	<b>£2,197,947</b>	<b>£2,238,481</b>	<b>£2,279,826</b>	<b>£2,321,997</b>		<b>£2,365,011</b>	
<hr/>													
<b>CBDC Costs</b>													
CBDC Staffing	£94,215	£93,137	£95,000	£96,900	£98,838	£100,815	£102,831	£104,888	£106,985	£109,125		£111,308	
Other costs	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0		£0	
<b>CBDC Costs</b>	<b>£94,215</b>	<b>£93,137</b>	<b>£95,000</b>	<b>£96,900</b>	<b>£98,838</b>	<b>£100,815</b>	<b>£102,831</b>	<b>£104,888</b>	<b>£106,985</b>	<b>£109,125</b>		<b>£111,308</b>	
<hr/>													
<b>Total Expenditure</b>	<b>£2,738,118</b>	<b>£2,035,610</b>	<b>£2,016,377</b>	<b>£2,069,235</b>	<b>£1,921,617</b>	<b>£2,271,743</b>	<b>£2,300,778</b>	<b>£2,343,369</b>	<b>£2,386,811</b>	<b>£2,431,122</b>		<b>£2,476,319</b>	
<hr/>													
<b>Surplus (Deficit)</b>	<b>(£51,246)</b>	<b>£9,392</b>	<b>£16,966</b>	<b>(£39,003)</b>	<b>(£273,723)</b>	<b>£29,551</b>	<b>£26,272</b>	<b>£19,584</b>	<b>£38,859</b>	<b>£26,898</b>		<b>£12,350</b>	
<hr/>													
Contingency allowance	0	0	0	0	0	25,000	25,000	19,584	25,000	25,000		12,350	
Contribution to reserves	0	9,392	16,966	(39,003)	(273,723)	4,551	1,272	0	13,859	1,898		0	
Investment in Project Tullie later phases	0	0	0	0	0	0	0	0	0	0		0	

Scenario 4: No Project Tullie

Summary: Tullie House  
Scenario: Business as Usual / Baseline  
(Costume Gallery, no Project Tullie)

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
Costume Gallery											
Opens											
Inflation Compounded	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
	1.00	1.02	1.04	1.06	1.08	1.10	1.13	1.15	1.17	1.20	1.22
Budget											
NPO Y2		Budget	Budget	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
		NPO Y3	NPO Y4								
Footfall		250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Paid Admissions (inc Tullie Card)		40,743	52,966	50,929	48,383	45,963	43,665	41,482	39,408	37,437	35,566
Income											
Grants (Public)											
Carlisle City Council Management fee		952,961	901,272	882,964	866,205	899,946	917,944	936,303	955,029	974,130	993,613
Carlisle City Council Central Services		33,108	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
ACE NPO		399,165	399,165	399,165	399,165	399,165	399,165	399,165	399,165	399,165	399,165
NPO admin recharge to partners		20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Exhibition Tax Relief (HMRC)		35,000	0	0	0	0	0	0	0	0	0
Grants (core) subtotal		1,440,234	1,328,437	1,310,129	1,293,370	1,327,111	1,345,109	1,363,468	1,382,194	1,401,295	1,420,778
Other Grants and Sponsorship											
HLF Resilience		49,850	0	0	0	0	0	0	0	0	0
Cumbria County Council		10,000	0	0	0	0	0	0	0	0	0
Headley Trust		30,000	0	0	0	0	0	0	0	0	0
DCMS Wolfson (Costume Gallery)		252,675	0	0	0	0	0	0	0	0	0
LEP / Garfield Weston		270,000	0	0	0	0	0	0	0	0	0
Other grants		185,233	150,000	153,000	156,060	159,181	162,365	165,612	168,924	172,303	175,749
Patrons, Donations + Gift Aid		23,600	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Other grants & sponsorship subtotal		821,358	160,000	163,000	166,060	169,181	172,365	175,612	178,924	182,303	185,749
Admissions											
Admissions Income (net of VAT)		126,477	228,329	219,549	239,508	227,532	220,479	213,644	207,021	200,603	194,385
Gift Aid		11,000	19,858	19,095	20,831	19,789	19,176	18,581	18,005	17,447	16,906
Membership		5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Admissions subtotal		142,477	253,188	243,643	265,338	252,321	244,654	237,225	230,026	223,050	216,291
											209,741

<b>Trading (net income)</b>													
Retail	31,500	41,769	40,966	41,785	39,696	38,465	36,542	35,409	33,639	32,596			
Catering	27,500	35,000	45,000	45,450	45,374	46,358	47,363	48,390	49,437	50,506			
Events	27,000	28,500	30,000	32,000	32,640	33,293	33,959	34,638	35,331	36,037			
Monday alternative and other	2,500	1,363	1,391	1,418	1,447	1,476	1,505	1,535	1,566	1,597			
<b>Trading (before allocated costs) subtotal</b>	<b>88,500</b>	<b>106,632</b>	<b>117,356</b>	<b>120,654</b>	<b>119,156</b>	<b>119,592</b>	<b>119,369</b>	<b>119,972</b>	<b>119,972</b>	<b>120,737</b>			
<b>Learning income</b>	<b>37,000</b>	<b>37,762</b>	<b>38,518</b>	<b>39,288</b>	<b>40,074</b>	<b>40,875</b>	<b>41,693</b>	<b>42,527</b>	<b>43,377</b>	<b>44,245</b>			
<b>Talks and other income/charges</b>	<b>13,000</b>	<b>13,260</b>	<b>13,525</b>	<b>13,796</b>	<b>14,072</b>	<b>14,353</b>	<b>14,640</b>	<b>14,933</b>	<b>15,232</b>	<b>15,536</b>			
<b>Interest and investments</b>	<b>6,000</b>	<b>6,000</b>	<b>6,000</b>	<b>6,000</b>	<b>6,000</b>	<b>6,000</b>	<b>6,000</b>	<b>6,000</b>	<b>6,000</b>	<b>6,000</b>			
<b>Central Charges Contribution</b>													
ACE	38,500	38,500	38,500	38,500	38,500	38,500	38,500	38,500	38,500	38,500			
CBDC	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500			
<b>Subtotal Central Charges</b>	<b>51,000</b>	<b>51,000</b>	<b>51,000</b>	<b>51,000</b>	<b>51,000</b>	<b>51,000</b>	<b>51,000</b>	<b>51,000</b>	<b>51,000</b>	<b>51,000</b>			
<b>Total Museum income</b>	<b>2,599,569</b>	<b>1,956,279</b>	<b>1,943,171</b>	<b>1,955,506</b>	<b>1,978,915</b>	<b>1,993,949</b>	<b>2,009,008</b>	<b>2,025,576</b>	<b>2,042,229</b>	<b>2,060,335</b>			
<b>CBDC income (gross)</b>													
Income	71,000	72,420	73,868	75,346	76,853	78,390	79,958	81,557	83,188	84,852			
CBDC trading profit	16,303	16,303	16,303	16,303	16,303	16,303	16,303	16,303	16,303	16,303			
<b>Subtotal CBDC income</b>	<b>87,303</b>	<b>88,723</b>	<b>90,171</b>	<b>91,649</b>	<b>93,156</b>	<b>94,693</b>	<b>96,261</b>	<b>97,860</b>	<b>99,491</b>	<b>101,155</b>			
<b>Total income</b>	<b>2,686,872</b>	<b>2,045,002</b>	<b>2,033,343</b>	<b>2,047,155</b>	<b>2,072,070</b>	<b>2,088,642</b>	<b>2,105,268</b>	<b>2,123,436</b>	<b>2,141,720</b>	<b>2,161,489</b>			
<b>Expenditure</b>													
<b>Staffing</b>													
Salaries (Trust only) and on costs	873,677	847,537	804,581	820,673	837,086	848,500	865,470	882,779	900,435	918,443			
Additional Development and Marketing Staff	0	0	0	0	0	0	0	0	0	0			
Additional hours	53,300	54,366	55,453	56,562	57,694	58,848	60,024	61,225	62,449	63,698			
ACE NPO salaries	37,275	38,021	38,781	39,557	40,348	41,155	41,978	42,817	43,674	44,547			
Travel and subsistence	12,000	12,240	12,485	12,734	12,989	13,249	13,514	13,784	14,060	14,341			
Restructure allowance (one off)	0												
Pension rebate & NI allowance													
Uniforms													
<b>Subtotal staffing expenditure</b>	<b>976,252</b>	<b>952,163</b>	<b>911,300</b>	<b>929,526</b>	<b>948,117</b>	<b>961,751</b>	<b>980,986</b>	<b>1,000,605</b>	<b>1,020,618</b>	<b>1,041,030</b>			

<b>Exhibitions and Projects</b>													
Projects	92,750												
Project Tullie	50,000												
Costume Gallery	584,000												
Exhibitions (and Projects post 19/20)	116,200	150,000	153,000	156,060	159,181	162,365	165,612	168,924	172,303	175,749	179,264		
ACE / CMC Expenditure	144,890	144,890	144,890	144,890	144,890	144,890	144,890	144,890	144,890	144,890	144,890		
<b>Subtotal exhibitions and projects expenditure</b>	<b>987,840</b>	<b>294,890</b>	<b>297,890</b>	<b>300,950</b>	<b>304,071</b>	<b>307,255</b>	<b>310,502</b>	<b>313,814</b>	<b>317,193</b>	<b>320,639</b>	<b>324,154</b>		
<b>Utilities</b>													
	<b>143,000</b>	<b>148,720</b>	<b>154,669</b>	<b>160,856</b>	<b>167,290</b>	<b>173,981</b>	<b>180,941</b>	<b>188,178</b>	<b>195,705</b>	<b>203,534</b>	<b>211,675</b>		
<b>Operational Expenditure</b>													
Rent & Business rates	65,000	66,300	67,626	68,979	70,358	71,765	73,201	74,665	76,158	77,681	79,235		
Equipment & Materials	28,100	28,662	29,235	29,820	30,416	31,025	31,645	32,278	32,924	33,582	34,254		
Security & Maintenance	53,900	54,978	56,078	57,199	58,343	59,510	60,700	61,914	63,152	64,415	65,704		
Depreciation	54,000	55,080	56,182	57,305	58,451	59,620	60,813	62,029	63,270	64,535	65,826		
Professional Fees & Insurance	60,000	61,200	62,424	63,672	64,946	66,245	67,570	68,921	70,300	71,706	73,140		
IT Services	40,000	40,800	41,616	42,448	43,297	44,163	45,046	45,947	46,866	47,804	48,760		
Cleaning	38,400	39,168	39,951	40,750	41,565	42,397	43,245	44,110	44,992	45,892	46,809		
General Office Expenses	24,160	24,643	25,136	25,639	26,152	26,675	27,208	27,752	28,307	28,873	29,451		
Marketing & Fundraising	35,500	36,210	36,934	37,673	38,426	39,195	39,979	40,778	41,594	42,426	43,274		
Training	13,750	14,025	14,306	14,592	14,883	15,181	15,485	15,794	16,110	16,433	16,761		
Subscriptions & Licences	28,500	29,070	29,651	30,244	30,849	31,466	32,096	32,738	33,392	34,060	34,741		
Bank & Credit card charges	3,350	3,425	3,293	3,593	3,413	3,307	3,205	3,105	3,009	2,916	2,825		
<b>Subtotal operational expenditure</b>	<b>444,660</b>	<b>453,561</b>	<b>462,432</b>	<b>471,914</b>	<b>481,101</b>	<b>490,549</b>	<b>500,191</b>	<b>510,032</b>	<b>520,074</b>	<b>530,322</b>	<b>540,780</b>		
<b>Trading</b>													
Salaries	61,652	62,885	64,142	65,425	66,734	68,068	69,430	70,818	72,235	73,679	75,153		
Operational costs	30,500	31,110	31,732	32,367	33,014	33,674	34,348	35,035	35,736	36,450	37,179		
<b>Central costs allocated to trading</b>	<b>92,152</b>	<b>93,995</b>	<b>95,874</b>	<b>97,792</b>	<b>99,748</b>	<b>101,743</b>	<b>103,778</b>	<b>105,853</b>	<b>107,970</b>	<b>110,130</b>	<b>112,332</b>		
<b>Capital renewal allowance</b>													
	0	0	0	0	0	0	0	0	0	0	0		
<b>Total Museum expenditure</b>	<b>2,643,903</b>	<b>1,943,329</b>	<b>1,922,166</b>	<b>1,961,038</b>	<b>2,000,327</b>	<b>2,035,279</b>	<b>2,076,397</b>	<b>2,118,483</b>	<b>2,161,560</b>	<b>2,205,654</b>	<b>2,250,791</b>		
<b>CBDC Costs</b>													
CBDC Staffing	94,215	93,137	95,000	96,900	98,838	100,815	102,831	104,888	106,985	109,125	111,308		
Other costs													
<b>CBDC Costs</b>	<b>94,215</b>	<b>93,137</b>	<b>95,000</b>	<b>96,900</b>	<b>98,838</b>	<b>100,815</b>	<b>102,831</b>	<b>104,888</b>	<b>106,985</b>	<b>109,125</b>	<b>111,308</b>		
<b>Total Expenditure</b>	<b>2,738,118</b>	<b>2,036,466</b>	<b>2,017,166</b>	<b>2,057,938</b>	<b>2,099,165</b>	<b>2,136,093</b>	<b>2,179,228</b>	<b>2,223,371</b>	<b>2,268,545</b>	<b>2,314,779</b>	<b>2,362,099</b>		
<b>Surplus (Deficit)</b>	<b>(51,246)</b>	<b>8,536</b>	<b>16,177</b>	<b>(10,783)</b>	<b>(27,094)</b>	<b>(47,452)</b>	<b>(73,960)</b>	<b>(99,935)</b>	<b>(126,826)</b>	<b>(153,290)</b>	<b>(180,976)</b>		
<b>Contingency allowance</b>													
Contribution to reserves	0	8,536	16,177	(10,783)	(27,094)	(47,452)	(73,960)	(99,935)	(126,826)	(153,290)	(180,976)		
Investment in Project Tullie later phases	0	0	0	0	0	0	0	0	0	0	0		



Appendix III: Temporary Exhibition Programme 2019-20

**Tullie House Museum and Art Gallery**  
**Temporary Exhibitions Programme 2019 – 2020**

**Fantastic Fairground Factory**

**29 June 2019 – 6 October 2019**



**Preview: Friday 28 June 2019**

The **Fantastic Fairground Factory** exhibition enables visitors to peek into the mechanical marvels behind the scenes and activities of the funfair. Including automata, games and hands on educational fun, visitors will learn about the science principles applied to various fairground games and events.

Staged in a fairground environment with multi-colored stalls, bunting, lights and fairground music this exhibition brings together all the fun of the fair in a magical vibrant setting.

Content includes:

- 30 Automata: Equestrienne, Dancing Man, Skiing Dog, How to Swim, Big Wave Machine, Penguin, Hopping Jackal, Pegasus, Monkey, The Mermaid of Zennor, Wonky Donkey, Seaside Couple...
- Cabaret themed photographic opportunities
- Mechanical Coconut Shy
- Zoetrope's
- Thaumatrope interactive and workshops
- Buzz wire race
- Marvellous Mirrors and Optical illusions
- Wheel of fortune
- Marble run

**Target Visitor Numbers: 9,000**



## **Turner: Northern Exposure**

**19 October 2019 – 5 January 2020**



### **Preview: Friday 18 October**

*Turner: Northern Exposure* will explore Turner's transformation from an architectural draughtsman to a poet of the landscape sublime. The exhibition traces his journey up through Northumberland in 1797, across and down to Cumbria and onto Yorkshire before returning to London.

This northern tour took Turner almost 2 months to complete and was a mammoth undertaking given the distances involved, how varied the scenery and how sustained Turner's commitment and enthusiasm was to discover this part of the world.

The exhibition presents 11 pieces created on this tour and demonstrates Turner's artistic experimentations and emerging style. Alongside these works we shall include larger oil paintings from various Art Fund collections and include some of our own collection, including a drawing of Carlisle Castle.

Many of Turner's important sketchbooks from the tour of the North of England are on display at Tullie House and we have a digital station for visitors to see more of the works in these sketchbooks. Works that would inspire larger commissions and paintings hung in the Royal Academy.

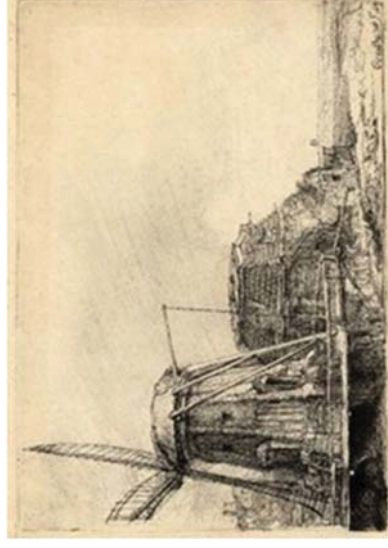
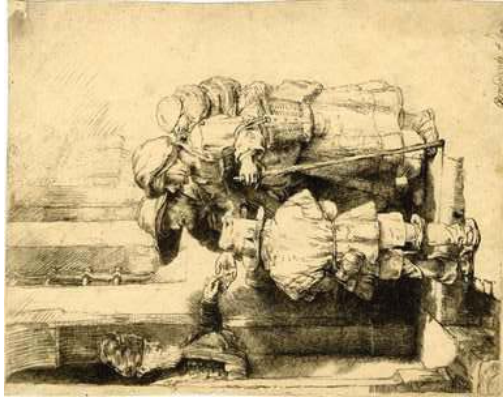
Works created from our 'Turner Competition' open call out to primary schools in the Cumbria area shall be exhibited alongside the exhibition in the art gallery.

**Private View 18 October 2019**

**Target Visitor Numbers: 10,000**

## Rembrandt: Special Etchings from the British Museum

19 October 2019 – 5 January 2020



On the 350<sup>th</sup> anniversary of the death of Rembrandt, this exhibition focuses on the Rembrandt; one of the world's most famous artists and greatest etchers of all time. The exhibition will provide the first opportunity to exhibit Rembrandt at Tullie House. It will include twelve etchings by Rembrandt on loan from the British Museum displayed within the following themes: Self Portraits, Dutch landscape, Biblical Scenes, Important people in his life as well as discussing his etching techniques and experimentation.

Rembrandt experimented in both etching and dry point, transforming the expressive possibilities of printmaking. Etching is a printmaking process that dates back 500 years. It involves sheets of metal, usually made of copper or zinc, and acid used to etch the print onto the metal. The artist made some three hundred prints altogether, of every kind of subject and impressions of almost all of them are held in the British Museum. This collection allows a fascinating glimpse into Rembrandt's working methods. A comprehensive exhibition of the etchings was held at the British Museum in 2001 and we are delighted to have the opportunity to have these on display at Tullie House.

The exhibition will also provide an opportunity to display etchings from the Tullie House collection, including four later Rembrandt etchings from the Gordon Bottomly bequest. All these works, by a range of artists, were largely donated by three benefactors and demonstrate their artistic taste. The etchings from the Tullie House collection also demonstrate Rembrandt's huge influence in the field of etching.

Making Space, an art organising supporting people living with mental health shall also be responding to etching in our collection and exhibiting their creative output within the exhibition, which is a very prestigious opportunity for them.

**Preview: Friday 18 October**

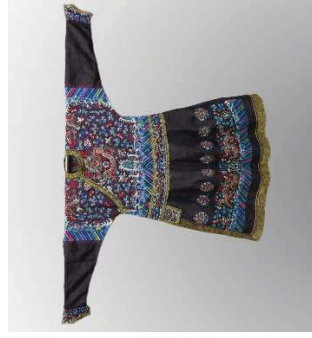
**Target Visitor Numbers: 10,000**

## Oriental Treasures

25 January 2020 - 28 April 2020



Female dancer-shaped  
jade, Western Han



A spectacular exhibition of examples of Imperial costume and embroidery, pottery, jade and artwork from the Shang to Qing dynasties and beyond. Cultural artefacts on loan from the Imperial Decree Museum, Xuzhou will be featured alongside objects from Tullie House's own collection and loans from Durham University's Oriental Museum.

The majority of artefacts from the Imperial Decree Museum, Xuzhou, to be shown outside of China for the first time, were saved following the Cultural Revolution by the Museum's founder, Mr Qinming Zhou. Collection objects from the Oriental Museum's extensive Chinese collection will supplement these artefacts. Together they will introduce visitors to the fascinating history, symbolism, lives and deaths of people of Imperial China, exploring how this 2,000-year history continues to shape Chinese culture and the world today.

In addition to the objects from the Imperial Decree Museum and the Oriental Museum, Tullie House's own, eighteenth, nineteenth and twentieth century collections will be used to explore the importance of the ancient Silk Road and perceptions of Imperial China in the West, through displays of items made in China for trade with the Western world.

All artefacts will have a bilingual label, identifying the object in English and Standard Chinese. Panels will be in English, with Chinese language versions available on request. An audio guide in both languages will be produced to give additional information.

**Preview: Friday 24 January**

**Target Visitor Numbers: 10,000**



## Whale Tales

9 May 2020 – 14 June 2020

in conjunction with Prism Arts



Tullie House are working in partnership with Prism Arts after receiving National Lottery Heritage Funding for an exciting new project working with 150 Early Years and Key Stage 1 pupils on the West Coast.

This is an eighteen-month long project celebrating Driggsby, a 12m long Fin Whale which was found on the Cumbrian coast in 2014 and has been on display in Tullie House since January 2018. The project will see pupils from six primary schools explore life in our oceans, how Driggsby might have journeyed to Cumbria and how whales have been the inspiration for myths and legends. The pupils will also investigate the impact of pollution on our seas, particularly from plastics, which was the probable cause of Driggsby's death. This will include a series of beach cleans led by Workington Nature Partnership stretching along the West Coast in June.

The pupils, teachers and family volunteers will work with artists and staff from Prism Arts and Tullie House to tell Driggsby's story which will be brought together this summer in an illustrated book featuring the pupils' artwork.

The team will then work with the partner schools to create a major interactive exhibition showcasing Driggsby's journey and celebrating her life. This will be on display in Tullie House's Art Gallery in May 2020 and will be accompanied by an exciting engagement programme for schools, families and visitors.

The project will finish with a community celebration event on Drigg Beach for all of the participating pupils, teachers and families.

Participating schools are Ashfield Infant & Nursery School, Distington Community School, Holme St. Cuthbert School, Mayfield School, Seascale Primary School and St Michael's Nursery & Infant School.

**Preview: TBC**

**Target Visitor Numbers: 2,500**



## Brick History

27 June 2020 – September 2020



Brick History is a journey through pivotal moments in world history, modelled in LEGO® bricks by Warren Elsmore and his team of artists. The history of the world is brought to life at a relatable, human level, featuring key figures from Mozart to Martin Luther King, scientific discoveries from the Big Bang to DNA, and recent history from mobile phones to the moon landings. Many of our visitors will simply enjoy the LEGO models, from tiny recreations of Concorde and Titanic that would sit in your hand, to an impressive 1.5m square castle bustling with activity in periods of both peace and war. The Main Five themes are Art, Conflict, Equality, Exploration and Transport. The Arts explores creativity from cave paintings to pop art. Conflict moves from natural disasters like Pompeii, via Viking invasions, to disputes such as the Boston Tea Party. Equality brings to life the struggles of slaves and suffragettes. Exploration depicts discoveries and inventions that have changed our world, and Transport moves through railways and seafaring to flight.

Brick History works especially well in venues with a historical connection or collection like Tullie House, and will allow us an opportunity to open up important works in our collection in and moments in our history here in Carlisle with a view to commissioning models representing them for the exhibitions

**Preview: 26 June 2020**

**Target Visitor Numbers: 10,000**

## Tattoo: British Tattoo Art Revealed

10 October 2020 – 17 January 2021



Tattoo: British Tattoo Art Revealed offers a genuinely ground-breaking and comprehensive history of British tattooing, featuring cutting edge designers, leading academics and major private collectors to tell a story that challenges long-standing myths and pre-conceptions about tattooing when it comes to class, gender and age, whilst at the same time giving a voice to and celebrating the astonishingly rich artistic heritage of tattooing as an art form in the UK.

Showcasing the work of major tattoo artists from George Burchett, via the Bristol Tattoo Club, to Alex Binnie and Lal Hardy this is the largest gathering of real objects and original tattoo artwork ever assembled in the United Kingdom. The exhibition features items from three of the most important private collections of tattoo material in Britain, belonging to Willie Robinson, Jimmy Skuse, and Paul 'Rambo' Ramsbottom, providing a rare opportunity to display original artwork and artefacts not otherwise on public display. The exhibition also delves into previously unseen private archives that reveal hidden histories, including the incredible real story of Britain's pioneering female tattoo artist, Jessie Knight.

It is estimated that about one in five of the UK population as a whole is tattooed and this figure rises to one in three for young adults. And yet, whilst the visibility of tattooing in contemporary culture may feel like something new, tattoos and tattoo art have always held a significant place in Britain's history and historical imagination.

The exhibition explores this history in depth and shows that while the word tattoo may have come into the English language following Captain Cook's voyage, this was not the start of the story of British tattooing. While showcasing the rich maritime heritage of tattoos, the exhibition also shows how people from all areas of society have always been tattooed. From ruffians to royalty; from sailors to socialites; from pilgrims to punks: tattoos have been etched into bodies throughout British history.

**Preview: 9 October 2020**

**Target Visitor Numbers: 10,000**



## 2019/20 Learning & Engagement Programme

**Families 2019/20** – local Cumbrian (Facebook Families, Dormitory Dependables, Trips and Treats), tourist (Trips & Treats) Engagement will be measured through either INCREASING numbers, BROADENING the range of participants or DEEPENING engagement. Target of 5% participation increase from 8910 to 9355

Activity	Timing	Measure	Marketing
Under 5s programme: Tullie Toddlers Tullie Tales Sure Start outreach	Ongoing: 2 sessions every other Wednesday Every other Tuesday Monthly during term time	INCREASE – of 5% annually on 2018/19 baseline BROADEN – track attendance of Sure Start participants in in-house events, aiming for 25% conversion by 2022	What's On Social media – Facebook Under 5s specific leaflet
Tullie Explorers: Discover and Create Sundays (drop in)	Ongoing: Monthly during Term Time	INCREASE – of 5% annually on 2018/19 baseline DEEPEN – all sessions to link with TH collection, with input from Curatorial Team	What's On Social media – Facebook Leaflet
Tullie Time Travellers	Ongoing: monthly September – June	Maintain average of 15 attendees per session	What's On
Relaxed Craft Sessions	Pilot in Easter Holidays ahead of weekly sessions during Summer Holidays. Evaluate success in September 2019.	INCREASE – target of 10 attendees per session BROADEN – postcode analysis and increase number of SEND families	Cross promotion with James Rennie school Carlisle City Council networks What's On Social Media
Holiday Drop Ins Easter – Easter & Alex Katz themed May Half Term – Natural science themed Summer Holidays – Fantastic Fairground Theme October Half Term – spooky theme & Where's Wally Museum Hunt Christmas Holidays February Half Term – daily, China themed	April 2019 - 3 per week May 2020 – 5 per week (trial additional 2 sessions) July & August 2019 – 3 per week October 2019 – daily December 2019 – 3 per week February 2020 - daily	INCREASE – of 5% annually on 2018/19 baseline BROADEN – to increase number of families from low socio-economic postcodes, tracked via Audience Finder analysis. Establish baseline in Q2 2019/20 then set target for Q3-4 2019/20.	What's On Holiday specific leaflets – distributed at local community venues and school bag drops Local advertising – Cumberland News Social Media Partner Cross-promotion – Where's Wally activity

Family Gardening Club	Summer 2019		INCREASE – average of 15 attendees per session throughout Summer Holidays	What's On 2018 Mailing List
Fantastic Fairground Opening Weekend	June 2019		NEW – target of 250 attendees	What's On Leaflet distributed in May Half Term & bag drop Local advertising – Cumberland News Advertising in the Lanes
Culture Camp	August 2019		INCREASE – from 13 – 15 participants with all achieving Explore Arts Awards DEEPEN – increase interaction with collections through participation of Curatorial Team	Schools newsletter What's On Existing Mailing List
Christmas Fun Weekend	December 2019		INCREASE – of 5% on 2018/19 attendance	What's On Social Media Leaflet – bag drop and during October Half Term Local advertising – Cumberland News, Primary Times
Outreach: The Lanes Upperby Gala Carlisle Pageants	May Half Term May 2019 September 2019		INCREASE – of 5% on attendees in 2018/19	Social Media Partner cross-promotion

**Young People 2019/20** – all YP activity is marketed via specific groups, networks and through referrals

Headline KPI of 300 participation days annually – BROADEN range and DEEPEN engagement

This figure does not include Hope Streets programme running to 2022 – no formal KPIs are attached to this funded programme, focus is on depth of engagement

Group	Timing	Activity	Measure
Hope Streets – NLHF funded project aimed at transforming youth engagement with museums across the North West. Split into five phases and finishing in 2022.	Phase 1 – Hope Happenings finishes May 2019 Phase 2 – Festival of Hope ongoing to August 2020	Continue to meet with original 14-18 year old group monthly, including engaging with Carlisle Pageant  Recruit Festival Co-ordinator in August 2019 and recruit Young Producers Group September – December 2019  Work with Festival Coordinator and Young Producers to develop and deliver Festival of Hope in July 2020	7 attendees per session with minimum of 5 Bronze Arts Awards  c. 15 Young Producers recruited  Set attendance target in January 2020 once format of festival established
The Youth Panel – local young people	Monthly	Co-production project with National Trust and Wordsworth House focussing on natural sciences collection  New member recruitment from September 2019  Work with Curatorial Team on Social History Redevelopment	Exhibition to be opened in September 2019  Target of 5 new members  Development to be planned and timetable by March 2019
Carlisle Youth Exchange Project	August 2019	Exchange day developed inspired by the Fantastic Fairground Exhibition	c. 30 attendees
After School Clubs – local secondary schools	Fortnightly from April – June 2019	Run Bronze Arts Award programme inspired by Alex Katz exhibition with after school art club at Richard Rose Morton Academy	7 Bronze Arts Awards Achieved

		Evaluate project over August with artist practitioner and school ahead of new project starting October 2019	
Home Educated Young People	Monthly from April	Continue programme of monthly drop-in sessions to support deliver of Bronze Arts Awards	5 Bronze Arts Awards achieved
James Rennie & Art UK Sculpture Project	Frequency of sessions in Q3 & Q4 TBC	Evaluate programme in August 2019 and develop plan of continued engagement for Q3 & 4	Minimum of 5 attendees per session
		Develop and deliver project to create digital artwork inspired by TH sculpture collection, with curatorial support	Minimum of 10 attendees
Carlisle Youth Zone Lifelines Project	April 2019 – September 2019	Act as Heritage Partner for CYZ Lifelines Project connecting group of 10, 10-14 year olds with residents of a local care home who grew up in the 1950s	Deliver three sessions with minimum of 10 participants per session and support display in Community Gallery in September 2019



**Communities** – all community activity is marketed via specific groups, networks and through referrals  
Headline KPI – 600 participation days annually with vulnerable adults / adults with protected characteristics  
BROADEN range of participants and DEEPEN engagement through increased curatorial involvement

Group / Programme	Timing	Activity	Measure
Making Space – adults with mental health issues	Monthly	Monthly sessions with 2019 project focussing on creative response to Rembrandt Exhibition – to go on display in October 2019	Four participants per session
Mencap – adults with SEND	Q1	Work with Independence Studio to create stop motion animation film inspired by Fantastic Fairground Factory exhibition	10 participants per session, one film created and launch event held in August 2019
Afternoon @ the Museum – Heydays, adults living with dementia & their carers	Monthly	Object handling and conversation with adults with dementia and their carers	10% increase on 2018/19 baseline
Outreach Programme – Heydays, older adults	Ongoing through 2019/20	Review session in September 2019 Review terms of Community Membership Scheme and rebrand. Relaunch in September 2019.	3 sessions per quarter from Q3
Secret Garden – Heydays, older adults	July – August 2019	Using Cumbria Community Foundation Funding, recruit Garden Coordinator and deliver weekly Open Access and Dementia Friendly Gardening Clubs	Minimum of 5 attendees per session
Prism Arts – disabled and diverse artists	Q1	Following on from Cultures Collide project (gallery opened January 2019) work with Studio Artists on Community Gallery exhibition to display their creative responses	3 diverse artists displaying work in the Community Gallery
Healing Arts Programme – older adults, disabled	Q1 & 2	Participate in ACE 'Trust Me – I'm an Artist' project, finishing in July 2019.  Evaluate Healing Arts programme and work with group to create new collaborative framework for activity from September 2019.	2 x celebration events held at TH in July 2019

Community Gallery	Ongoing	2-3 community projects resulting in displays per quarter. Confirmed projects so far:  Studio Arts Cultures Collide Response Whizz Craft Knitted Hadrian's Wall Youth Zone Lifelines Project Black History Month display Plantlife Photography Exhibition	Minimum of 6 displays delivered in 2019/20.
OF / BY / FOR / ALL programme	April 2019 – January 2020	Participate in international organisational development programme OBFA – aim is to create a new framework for community engagement increasing depth of connection with under-represented communities.  Complete Phase 1 by end of May 2019 to decide target community group and create Project Pledge (to include numerical target)  Deliver Project Pledge by November 2019	Programme successfully completed with pledge achieved by end of 2019
Tullie Textiles	Monthly	Group to continue at capacity, meeting monthly, with activity inspired by collections	Minimum of 20 attendees per session

**Local Adults** – Kaleidoscope Creativity, Homes & Heritage, Dormitory Dependables  
5% increase on 2018/19 baseline

Event / Programme	Timing	Target Audience & Marketing	KPI / Measure
Monday Alternative Film Programme	Weekly	Kaleidoscope Creativity – What’s On, Social Media, Local poster distribution	Average attendance of 30 per screening.
Lunchtime Talks	Monthly	Homes & Heritage – What’s On, local poster distribution, local advertising	INCREASED attendance of 5% on 2018/19 baseline
Exhibition Events Programme (to replace Tullie Talks & Saturday Sessions Programme	3-4 events per exhibition 3 gallery tours per exhibition	Kaleidoscope Creativity, Homes & Heritage – What’s On, Social Media, Local poster distribution	INCREASED attendance of 5% on 2018/19 baseline (use Tullie Talks & Saturday Sessions figures for 2018/19)
Borderlines Festival	October 2019	Dormitory Dependables, Homes & Heritage – Cumbria life advertising, editorial & leaflet distribution, social media, mailing list, local advertising, programme distribution around county	INCREASED attendance of 5% on 2018/19 figures Explore funding opportunities to engage hard to reach audiences
Museum Lates Programme	3 events in 2019/20	Kaleidoscope Creativity & University of Cumbria students – social media, local advertising, e-news, partnership promotion	Target of 50 attendees per event
Black History Month	October 2019	Kaleidoscope Creativity – What’s On, Social Media, Local Poster Distribution	INCREASED attendance of 5% on 2018/19 figure

Schools – Headline targets for 2019/20 = 16,451 pupils and £31,000 income target  
 All schools sessions targeted via print and digital marketing  
 INCREASING pupil numbers and BROADENING range of participating schools

Programme	Activity	Timing	Measure
In house workshops	Rebrand of schools marketing	December 2019	Digital brochure to be produced and distributed to mailing list
	Update to school pages of the website	December 2019	Pages streamlined with positive teacher feedback
	Session updates in line with Quality Principles	September 2019	Minimum of four sessions and rated as 'Excellent' by 75% of teachers
	Develop new Anglo-Saxons Session and pilot in Q3	October 2019	Session piloted and rated as 'Excellent'
	Audit of education collection with support of Curatorial Team to better use what we have and ensure safe display and storage.	September 2019	Audit to have taken place by September 2019 with action plan for improvements developed
Whale Tales	Outreach programme delivered – 18 sessions per term	Ongoing	150 EYFS pupils participate in project
	Create Illustrated Book and programme launch event	October 2019	Launch event attended by minimum of 100 pupils
	Develop exhibition, CPD programme and family events programme (May 2020)	March 2019	Exhibition developed, EYFS special event week planned and May Half Term activities planned
Special Event Weeks	Create Automata Workshop linked to Fantastic Fairground Factory Exhibition	Q1 & Q3	10 workshops delivered by end of Exhibition
	Viking Week delivered	October 2019	6 classes attending and rated as 'Excellent' by 75% of teachers
	Turner Special Event Week delivered	November 2019	6 classes attending and rated as 'Excellent' by 75% of teachers
	Jewish Living Experience Exhibition & Sessions	December 2019	6 classes attending and rated as 'Excellent' by 75% of teachers
	China Special Event Week	March 2020	6 classes attending and rated as 'Excellent' by 75% of teachers

				6 classes attending and rated as 'Excellent' by 75% of teachers
Outreach	Working with Natural England, deliver 1 x Habitat Week at Finglandrigg Wood and 2 x Assembly Weeks, and Evaluate Deliver 'Poppy' Remembrance Week	Q1, Q3, Q4  Q3	Reach 90% capacity during specific weeks with content rated as 'Excellent' by 75% teachers 100% capacity in Week 1, 50% in Week 2, with content rated as 'Excellent' by 90% teachers	
	Deliver 'Diwali' outreach week with Priya Sundar	Q3	75% capacity with content rated as 'Excellent' by 90% teachers	
	Deliver 2 x Chinese New Year Assembly Weeks	Q4	100% capacity in Week 1, 50% in Week 2, with content rated as 'Excellent' by 90% teachers	
	Develop and deliver new Chinese Culture Special Event Week	Q4	50% capacity and rated as 'Excellent' by 90% teachers	
	Deliver a minimum of 6 history focussed assemblies per term, increasing collection of evaluation	Q3 & Q4	6 sessions per term with content rated as 'Excellent' by 75% teachers	
Arts Award & Arts Mark	Continue to develop the 'Mini Museums' Arts Award Programme	Q3 & Q4	3 schools per academic year, with 75 pupils achieving Discover Arts Awards	
	Discover in a Day for participating schools in Turner Special Event Week	November 2019	50 pupils achieve Discover Arts Awards	
	Ensure compliance with Arts Mark Partner status	Year round		
Facilities & Marketing	Carry out improvement works to existing classroom, following teacher consultation (funding dependent)	Q1	Input into 1 school Arts Mark qualification Teacher and pupil feedback and monitor increase in bookings	
	Work with external designer on rebranding schools marketing, website and teacher notes	Q3	Teacher feedback and monitor increase in bookings	

**Chinese Engagement Programme** – Kaleidoscope Creativity, local adults, local Chinese-British families

Minimum of 8 hours teaching per week (Confucius Institute Target)

Event / Programme	Timing	Target Audience & Marketing	KPI / Measure
Chinese Language and Culture Course	Weekly from September 2019 – December 2019	Kaleidoscope Creativity and local adults – e-news, social media, leaflet locally	Average 5 attendees per session
YCT & HSK Accredited Mandarin Courses	Weekly (term time)	Chinese-British families – ongoing word of mouth	Average of 12 participants per session, achieving qualification each school year
School Clubs	Weekly (term time)	Local primary schools – specialist networks	2 clubs per term
China Day at Carlisle Library	September 2019	Local families – Facebook Families	50 attendees
Chinese New Year Event linked to opening day of China Exhibition	January 2020	Local families	500 attendees
China Exhibition Engagement Programme	Monthly from January – April 2020	Kaleidoscope Creativity and local adults – e-news, social media, leaflet locally	Monthly China Café with minimum of 15 attendees
		Local families – Facebook Families	Two additional performances for families average 50 attendees

## Appendix V: Audience Spectrum Segments

### Audience Spectrum Segment Overviews

Up to date and in-depth information about each segment can found at: <https://www.theaudienceagency.org/audience-spectrum/profiles>

#### Metroculturals

Prosperous, liberal urbanites, Metroculturals choose a city lifestyle for the broad cultural opportunity it affords. They are therefore interested in a very wide spectrum of activity, but many tend towards their own preferred artform or style. Although active museum attenders, more engage with the arts and many on a weekly basis. Working in demanding but rewarding professions, they are highly educated and have a wide variety of other interests from food and travel to current affairs and architecture.

#### Commuterland Culturebuffs

Affluent and settled with many working in higher managerial and professional occupations. Commuterland Culturebuffs are keen consumers of culture, with broad tastes but a leaning towards heritage and more classical offerings. Mature families or retirees, living largely in leafy provincial suburban or greenbelt comfort, they are willing to travel and pay for premium experiences, their habits perhaps influenced by commuting. Motivations are multiple, ranging from social and self-improvement, to the pursuit of learning opportunities for older children. They tend to be frequent attenders and potential donors.

#### Experience Seekers

An important and significant part of urban arts audiences, these highly active, diverse, social and ambitious singles and couples are younger people engaging with the arts on a regular basis. Students, recent graduates and in the early to mid-stages of their careers, they live close to city centres, have easy access to and attend a wide variety of arts, museums galleries and heritage. Interests cover mainstream, contemporary and culturally diverse offers and attending is at the heart of their social lives. They are mostly in search of new things to do and have disposable income to spend on a variety of leisure activities like sports/arts memberships and frequent visits to cafes, bars and restaurants. Digitally savvy, they will share experiences through social media on their smart phones.

### Dormitory Dependables

A significant proportion of audiences are made up of this dependably regular if not frequently engaging group. Most live in suburban or small towns and show a preference for heritage activities, alongside popular and more traditional, mainstream arts. Many are thriving well off mature couples or busy older families; lifestage coupled with more limited access to an extensive cultural offer mean that culture is more an occasional treat or family outing than an integral part of their lifestyle.

### Trips & Treats

While this group may not view arts and culture as a passion, they are reasonably active despite being particularly busy with a wide range of leisure interests. Comfortably off and living in the heart of suburbia their children range in ages, and include young people still living at home. With a strong preference for mainstream arts and popular culture like musicals and familiar drama, mixed in with days out to museums and heritage sites, this group are led by their children's interests and strongly influenced by friends and family.

### Home & Heritage

Conservative in their tastes, this more mature group appreciates all things traditional: a large proportion are National Trust members, while classical music and amateur dramatics are comparatively popular. While this is not a highly engaged group - partly because they are largely to be found in rural areas and small towns - they do engage with the cultural activity available to them in their locality. They look for activities to match their needs and interests, such as accessible day-time activities or content exploring historical events.

### Up Our Street

Living reasonably comfortable and stable lives, Up Our Street engage with popular arts and entertainment and museums, and are also visitors of heritage sites. Many are older and have some health issues, living on average or below average household incomes, so access in all its forms can be an issue. Modest in their habits and in their means, value for money and low- risk are important factors in leisure decision making.



### Facebook Families

Arts and culture play a very small role in the lives of this younger, cash-strapped group living in suburban and semi-urban areas of high unemployment. They are the least likely to think themselves as arty, while less than a third believe that the arts is important. Nevertheless, they do go out as families: cinema, live music, eating out and pantomime.

### Kaleidoscope Creativity

Characterised by low levels of cultural engagement despite living in and around city areas where plenty of opportunities are within easy reach. A great mix of people comprise this segment with a wide range of ages, living circumstances, resources and cultural backgrounds all living cheek-by-jowl. Low incomes and unemployment can present barriers to accessing some cultural provision. Nevertheless, two thirds do engage with more popular and accessible culture annually, some of this in the local community and outside the mainstream. Free, local events like outdoor arts, festivals and carnivals may appeal, and so might popular offerings like musicals and music events.

### Heydays

Heydays are the group least likely to attend arts or cultural events, believing that the arts are no longer as important or relevant to them as perhaps they once were. Many live in sheltered or specially adapted accommodation for older people, and are excluded from many activities due to a raft of health, access and resource barriers. If they do engage this is likely to be participatory such as craft and knitting, painting, reading and writing activities organised by their sheltered housing, church group or community library.

**CARLISLE CITY COUNCIL**  
**LGA PRODUCTIVITY EXPERT PROGRAMME**  
**TULLIE HOUSE MUSEUM & ART GALLERY**

**Report**



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## I. AIMS

### Brief

The principal purpose of this review is to provide an objective assessment of opportunities, constraints and options that will assist Carlisle City Council (the Council) and Tullie House Museum & Art Gallery Trust (the Trust) determine what shape a sustainable future for the Museum might take.

The assignment has been commissioned by the Council which as client, consulted the Trust regarding the scope and content of the brief. The work has been instructed under the terms of the Local Government Association's Productivity Expert Programme.

### Deliverables

Assessments of ;

- ▶ Current funding levels and sustainable future funding options in the context of declining public funds and ongoing austerity measures
- ▶ Further or potential commercial / revenue generating opportunities
- ▶ Opportunities and assets and the best use of these to reduce future reliance on revenue grant - including capital investment, capitalisation of grant, transfer of property assets, closer partnerships with other sectorial stakeholders etc
- ▶ Clear recommendations on the future funding relationship and specifically on sustainable future funding levels (for both parties) and the approach to managing the implementation of these

### Anticipated Outcomes

- ▶ A reduced reliance on core grant funding
- ▶ Direct, or leveraged, capital investment to increase visitor numbers and commercial revenue streams
- ▶ Improved and co-ordinated use of key properties within Carlisle's historic quarter contributing to the wider economic regeneration of the area
- ▶ Revenue savings for Carlisle City Council of up to £805k per annum

To the above outcomes which are specified in the brief, we add a fifth;

- ▶ Governance matters and the relationship between the Council and the Trust

### Local Government Association

This work has been supported by the Local Government Association which encourages such reviews to support the Local Authority involved and to make key learning points more widely available through its Productivity Expert Library. This is particularly relevant given the number of Local Authorities that in recent years have transferred management of their museums, and in some cases whole leisure and cultural services, to new special purpose charitable trading entities.

## 2. VISION

### Carlisle City Council

The Council's vision is;

*To improve the health, wellbeing and economic prosperity of the people of Carlisle. We will work in partnership to further establish our position as the regional centre and focus for investment, ensuring that residents can share in the benefits through increased opportunities and greater choice of jobs, range of housing and a quality environment.*

The Council is changing, dynamically, to meet the financial challenges of the future by making the necessary savings and developing new incomes. Its vision is underpinned by five principles;

- ▶ We will be a clear, committed and confident Council
- ▶ The principles have been developed by our staff and councillors to guide how we will deliver our vision for Carlisle
- ▶ By setting out our vision, we show that we understand the needs of Carlisle residents, businesses and visitors. Our plans to respond to these needs are clear and straightforward. We know what is expected of us and do our best to create clarity in how we work
- ▶ We are committed to achieving our vision for Carlisle. We will ensure that our day to day work and resources are consistent with the priorities
- ▶ We will continue to work effectively with partners to drive positive change for Carlisle and will celebrate our successes and achievements. As part of our ongoing work to develop all our communities we will engage young people and make sure the Carlisle Plan helps to deliver their aspiration for Carlisle

From its vision, the Council has established five priorities for the current planning period. These are to;

- ▶ Support business growth and skills development to improve opportunities and economic prospects for the people of Carlisle
- ▶ Further develop sports, arts and cultural facilities to support the health and wellbeing of our residents
- ▶ Continue to improve the quality of our local environment and green spaces so that everyone can enjoy living, working in and visiting Carlisle
- ▶ Address current and future housing needs to protect and improve residents' quality of life
- ▶ Promote Carlisle regionally, nationally and internationally as a place with much to offer - full of opportunities and potential

The Council is committed to measuring progress against its plans through a new framework of performance monitoring including risks and opportunities.

## Tullie House Museum & Art Gallery Trust

The Trust's vision is that;

*Tullie House will be one of the leading and most influential cultural institutions in Cumbria, providing a vibrant and proactive centre for heritage and the arts in Carlisle. It will directly serve the people of the city and their visitors; play a leading part in the cultural, social and economic life of the North of England and become a leading institution nationally with a growing reputation in its specialist fields.*

The vision is based on six pillars of ambition;

- ▶ **Summary**  
We will create a museum fit for the 21st century; a museum that has something to say about Carlisle, Cumbria and the world in which we live; a museum that unleashes creativity and invites co-creation; a museum which is collections based, curatorially informed and audience focused; a museum with a human face providing a third space anchoring community life
- ▶ **Innovation**  
We will examine, explore and challenge assumptions, conventions and disciplinary borders. We will scrutinise and contest what a museum is and how it is run by creating an interdisciplinary, free-thinking hybrid museum
- ▶ **Creative use of space**  
We will re-think museum spaces and buildings to create compelling, immersive experiences which speak out to and invite in our active participants; we will engage the senses, trigger the imagination and stimulate creativity, delivering social, intellectual and emotional audience outcomes
- ▶ **Learning**  
We will create open learning environments, invite people to co-create, share ideas, knowledge, art and experiences with specialists and other active participants by encouraging and facilitating creativity, research, involvement and user generated content. We will animate the school curricula. We will examine the past, debate the present and help shape the future
- ▶ **Collaboration**  
We will bridge the global and the local by acting as an inclusive real and virtual community hub for locals and visitors. We will use Carlisle, Cumbria and our collections as our axis to invite participation. We will seek local, national and global collaborations with institutions and individuals who want to think about everything differently
- ▶ **Accountability**  
We will create a vibrant, dynamic, hybrid organisation that is fuelled by passion and creativity. We will measure our success and have a self-critical attitude. We will set high professional and personal standards, creating a workplace which reflects our manifesto. And we will keep on creating tomorrow's museum with our active participants

### 3. GOVERNANCE

#### New frameworks of delivery

From the 1980's onwards the success of new types of independent museum operating through special purpose incorporated charitable organisations, encouraged many local authorities to review the way in which non statutory functions, such as museums, are delivered.

The advantages generally advocated for the incorporated charity vehicle include;

- ▶ The ability to raise funds from a wider range of sources than are normally available to local authorities
- ▶ Single focus and clarity of purpose. As part of large leisure service departments, for example, many good local authority museums found themselves disadvantaged and too low down the organisation's agenda
- ▶ An incorporated charity may be able to operate more commercially than a local authority and establish subsidiary trading companies more easily than a public body is able to do. The commercial advantage applies to both income and cost. Customers generally view admission and other charges made by a charity more favourably than those levied by a public authority which is already funded by the tax payer. On the cost side, it is likely that a trading charity's terms & conditions of employment will be less generous than those customarily found in the public sector
- ▶ Some benefits in respect of business rates and recoverable VAT

Prior to 2011 and for over one hundred years, the Council and its forebears managed and developed Tullie House Museum & Art Gallery as a non statutory service, directly run through a department of the local authority.

In 2002 the Council established an Industrial & Provident Company, Carlisle Leisure Limited for the purpose of more commercial and arm's length management of the City's sport and leisure facilities. At that time a conscious decision was taken not to include Tullie House Museum & Art Gallery in the assets to be leased to and operated by Carlisle Leisure.

With a view to future investment in improved facilities Carlisle Leisure subsequently merged with the successful not for profit leisure operator Greenwich Leisure Limited (GLL) which has a strong balance sheet and now trades under the *Better* banner.

GLL is an exempt charity and a registered society under the Co-operative and Community Benefit Act 2014. It was established in 1993 with a portfolio of seven leisure centres. It now manages over 200 facilities throughout the UK, has a turnover in excess of £175m and is very successful at what it does. During 2016 it added facilities in Eden, Copeland and the South Lakes, to those it already manages in Carlisle and Allerdale.

Terms of the Council's contract with GLL provide for a current annual operating subsidiary of about the same size as the present grant to the Trust i.e. around £800k per year. Contract renewal negotiations with GLL are to focus on elimination of the operating grant in its entirety.

In 2015 The Old Fire Station opened as an additional arts venue in Carlisle. This has been developed by the Council which took the strategic decision to increase the number of cultural venues in the City and decided to directly manage and fund operation of the new facility.

## Charitable company

In 2009/10 the Council resolved to establish an independent charitable entity for the specific purpose of the future management of Tullie House Museum & Art Gallery. A shadow board was recruited and memorandum & articles of association for a company limited by guarantee set out. The company was registered in March 2011. Charity registration was secured in August 2011.

The eleven charity Trustees and Directors of the company include two Elected Members of the Council and the senior member of staff employed as Museum Director and having executive responsibility for day to day management. Each year one third of Director / Trustees are required to retire by rotation. They are eligible for reappointment by the Board.

Largely, the current Board of Director / Trustees is that group of people recruited in 2010/11 and there has been no significant change in board composition since that date. The Council and the Trust have done well to secure the ongoing commitment of highly experienced individuals across a number of relevant areas e.g. museology, media, tourism, higher education, the nuclear industry, audit, corporate life and small arts businesses.

The Leader of the Council annually appoints two Elected Member representatives as Director / Trustees. Currently these are the Deputy Leader of the Council and the Leader of the Opposition. The Leader of the Council also attends board meetings as an observer. They are in a good place to represent the voice of the majority of Carlisle residents but we suspect they may feel constrained in doing so too openly lest that be construed as pushing the Council's view too strongly within what is an independent charitable body.

Composition of the Board will evolve over time, a point that the Chair made at the Trust's away day discussions in September 2016. Our view is that future emphasis could usefully be given to recruiting Board Members with i) commercial experience that is relevant to the day to day business of the museum ii) property experience gained within a commercial environment iii) a finger on the pulse of ready local demand for content, programmes and activity.

The Trust channels non charitable trading activities through a wholly owned subsidiary company and currently recognises receipts to the Trust in the subsidiary's operational expenditure rather than as a tax effective profit distribution.

All five Directors of the trading company are also Directors of the principal charitable company. It is not uncommon for museum trading subsidiaries to appoint some Directors that are not Director / Trustees of the parent charity. In the right circumstances that can be good way to bring in commercial experience that may not otherwise be available to the museum.

## Legal framework

Three principal agreements govern the relationship between the Council and the Trust;

- ▶ Operations & Funding Agreement, May 2011

This sets out the overall intention for the thirty year period to March 2041. It obliges the Council to make some annual funding available, to lease the premises, to loan the collection and to provide some support services. It obliges the Trust to exhibit & maintain the collection, promote educational programmes and events, maintain museum accreditation and uphold past funding agreements. As far as financials are concerned it obliges the Trust to seek sponsorship and donations but does not set targets or establish headline objectives for future ratios of earned income to core funding. This is done periodically within a rolling three years business planning process. Core funding from the Council is construed as business income to the Trust



and is paid gross i.e. including VAT. The agreement includes provisions for termination prior to March 2041

▶ Lease of Museum Premises, March 2013

Covers all of the current premises other than Herbert Atkinson House, for which a supplementary lease is currently in preparation, and Shaddon Mill the store which has very recently been vacated. The period is thirty years to March 2041 at a peppercorn and insurance rent. Major repair of structures remains the responsibility of the Council and day to day maintenance is the Trust's responsibility as tenant. Built in are obligations to open to the public for specified periods with seasonal variations. Specified use classes are D1 (non residential institution) with related A1 (retail) & A3 (cafe/restaurant). The lease is specifically excluded from provisions of the Landlord & Tenant Act 1954. Sub leases may not be created but approved licenses or franchises may be. Explicit termination provisions appear not to be included

▶ Collections / Loan Agreement, May 2011

Obliges the Trust to care for and maintain the collections which remain in the ownership of the Council and appear on its balance sheet as a tangible asset. The loan continues until such time as the Operations & Funding Agreement ends i.e. March 2041, unless otherwise previously terminated. It grants an intellectual property licence to exploit value from the collections and obliges the Trust to follow principles of best practise in care and security of the historic material. The Trust is entitled to acquire new material and dispose of items that are no longer relevant in accordance with an approved Acquisition & Disposal Policy

## 4. EXPECTATIONS

The working relationship between the Council and the Trust is the key factor that will determine the long term success, or otherwise, of the Council's strategic decision to outsource its Museum to an independent body.

We believe that like for like, well motivated and customer / visitor oriented independent museums will always have an advantage over directly controlled local authority equivalents. However, we do see significant differences between independent museums that establish themselves in response to gaps in public sector provision, and those which have been specifically established by a public authority to maintain levels of provision in financially challenged times.

There is an energy and focus around embryonic struggle which can itself be a route to success for self starter museum trusts. That is somewhat different to a situation in which an authority transfers its museum service, warts and all (every museum has them) to a new entity along with an initial level of operating subsidy, which in Carlisle's case was substantial.

Put simply, motivations are not the same.

We believe the Trust has been extremely well motivated to respond to the task it thought it was taking on i.e. to run the best possible museum it could supported by a sizeable grant of £1.3m a year. If it has been less well motivated to manage the grant down to £800k by resolving longstanding staffing and other painful issues, that is understandable.

During the course of our consultations we have formed a view that suggests the Council feels somewhat disappointed that the Trust has not done more to replace revenue grant with net earned income. Also that the Museum focusses more on esoteric content than local interest. It sees that as one reason why commercial performance has not improved markedly under independent management.

Similarly we have gained an impression that suggests the Trust may feel the Council has reneged on the spirit, if not the letter, of the original Operating & Funding Agreement. It is disappointed that so much of its non executive volunteer time, energy and effort has been absorbed in managing reductions in core funding, including many consequent redundancies, and in dealing with ongoing collections storage issues. The Trust may feel that it was left to sort out senior executive weaknesses and an overly large payroll, both of which had been in the Council's power to resolve prior to the 2011 transfer date.

We think it helpful to be frank about these points because understanding what lies between the recent past and drivers to improve the museum's future performance lies at the heart of the matter.

We see that a difficult period is now in the past. We see fresh optimism evidenced by the strong start which the new Museum Director has made and the real possibility of a phased, Heritage Lottery Fund supported development incorporating properties in Castle Street that could give the museum a commercial street frontage for the first time.

## 5. REVENUE

### Earned income, admissions

The key metric and performance indicator for all charged admission museums is the number of customers or visits. It is this figure upon which comparative performance can be assessed, budgets set and the commercial performance of retail and catering judged.

Tullie House is not quite clear how many visits it currently gets and what the potential future volume may be. This is not a new situation, it dates back to the time of direct management by the Council and focus on maximising a publishable number which quantified, in a general sense, the extent of public use of a Council facility. Unfortunately the physical layout of the museum's multiple entrances and the location of the ticketing desk compound the difficulty of recording visits accurately.

Very large numbers are quoted for the annual volume of visits. The Trust's statutory accounts for year to March 2016 reports 230k visits against a target of 250k and a volume of 277k achieved in the previous year. These figures remain guides to the extent of public use of the foyer which includes some visits to the museum, other types of customer using the cafe, shop or both, and a percentage of people wandering in and out because they are curious or to use the toilets. They are derived from a standard Visitrack recording system calibrated for local configuration. Many 'free' museums use this system including national institutions and it is a useful tool, particularly for comparative purposes year to year. It is not however a wholly dependable metric for assessing business performance and planning sales income. We fully understand that it is this 'public use' number that has been generally used in reports to the Council and Arts Council England etc, and the reasons why it might continue to be used alongside customer data that has the benefit of more reliable audit.

Determining the actual volume of visits into the museum has been difficult because the museum's legacy systems were not installed with a view to managing a business in a structured or disciplined way. Estimates have been as low as 40k visits a year. If that is correct and given admissions income in the year to March 2016 of £84,618 (net of VAT) it represents a low average admission receipt of £2.12 per visit. If more recent estimates of 50k visits a year is correct then the average receipt is worse at £1.69.

In our view, the absence of a clear, business like approach to the whole area of customer volume and admissions is the biggest single factor contributing to poor financial performance. We are somewhat surprised that the Trust did not take immediate steps to significantly improve the systems it inherited from the Council and establish some discipline in this crucial area. We appreciate however that the then senior management team may have had neither the know how, nor possibly, the will to implement this.

With a new Museum Director now in place and supported by a more commercially astute executive team the Trust is now seeking to resolve this as a matter of urgency. We think that short term benefits can be achieved by improving the current ticketing systems, providing clear direction to front of house staff and reviewing entitlements to free, heavily discounted admission arrangements for the Tullie Card. Longer term, we think that a reconfigured entrance and ticketing arrangement as part of a site wide development programme would reap huge benefits, particularly if this could be achieved off a Castle Street frontage.

The Trust's report and accounts to March 2016 also references . . . *the introduction of new pricing policies in June 2014 and its inevitable contribution to decline of visitors and overall paid admissions being down by 5%.* We think it wrong to jump to 'inevitable' conclusions around admission charges and this view is supported by the recently published *Successfully Setting Admissions Policy & Pricing* researched and authored (quite co-incidentally), by Carlisle based DC Research for the respected Association of Independent Museums.

The overall aim of that research was to understand the experience of museums that have moved from free admission to charging or vice-versa. The report, which is appended to this document, examines the impact of admission charges on visitor numbers, diversity, income (including secondary spend & donations), visitor satisfaction and reputation / relationships. At a headline level the report's conclusions are that;

- ▶ There is no direct link between the diversity of audience and whether a museum charges admission or not
- ▶ Donations are more influenced by a range of other factors than by admission charges
- ▶ There is no consistent relationship between levels of secondary spend and whether a museum charges admission or not. Other factors have much more influence. There is some evidence that visitors to charged admission museums are more likely to have used the shop and on site catering than visitors to free museums
- ▶ Dwell times are typically longer for museums that charge for admission
- ▶ The process of charging creates a focus for visitor welcome and captures information about visitors
- ▶ In making any changes to admission status, it is especially important to communicate clearly with stakeholders and the local community about the reasons for the change, and to ensure that staff are positive and confident in explaining them to visitors

As to what the potential admissions income to the museum might be, this is difficult to assess without the benefit of detailed market research which is beyond the scope of this assignment. Our feeling is that the current offer, which is variable, but very good in parts, should be capable of attracting 65k visits a year with good marketing and appealing temporary shows. Assuming a reduced headline adult admission price of £6.50 rather than £9.90, (this seems high given the location and day to day offer), a 60% net margin to allow for VAT and discounts / concessions etc, suggests a net income of £254k per annum compared with £85k in the last financial year.

York Museum Trust (YMT) reflects a similar position to the Trust's albeit in a more vibrant tourist market. Its operating subsidy from York City Council has in recent years been reduced by £900k and further reductions to £300k are expected over the next few years. YMT offers three visitor experiences - York Castle (291k visits), Yorkshire Museum (99k visits) and York St Mary (28k visits). Net admissions income for year to March 2015 was £1.928m which represents an average net receipt per visit of £4.61.

In Carlisle a target of £254k net admission income for the Trust assuming 65k 'real' visits represents average net receipt per visit of £3.90. We believe this to be in the right ball park for future planning within the constraints of the current museum offer and configuration.

If Tullie House were to develop its offer, become specifically famous for something and introduce paid admission family play then we believe that annual visits could exceed 100k and that the headline adult admission price could be £10 or more.

The Trust is rightly taking good advantage of gift aid on both admissions and structured donations. Gift aid income in year to March 2016 was £8,740.

## Earned income, retail

Retail income during the year to March 2016 was £51k (net of VAT). The cost of goods sold was £28k representing a margin of 45%. We would expect operating retail margin to be in the range 45% to 50%. The Trust makes a percentage charge of salaries to the trading subsidiary based on time allocations across a number of staff. It also allocates utility costs based on the areas of museum space allocated to commercial trading. We would expect net retail contribution at current levels of business to be around £5k but understand that staff and other allocated overheads were such as to result in a negative contribution of around (£14k). Clearly that poor performance was during a year in which significant staffing cuts were made and new executive management put in place.

If footfall to the museum foyer area was 230k in the year £51k turnover represents sales per person of 0.22p which is a poor conversion rate. Although there are some items of good merchandise on sale the retail offer as a whole is not hugely attractive.

We would estimate that an improved retail offer should be targeting c £200k turnover per annum. We know that improvements are in hand.

If it proves feasible to reconfigure Tullie House with an entrance on Castle Street and relocate the shop within or adjacent to that new entrance then we can be much more positive about the future contribution that retail has to play in the forward business plan.

## Earned income, catering

Food & beverage income to the Trust in year to March 2016 was almost £83k. The operation is run by a third party and the Trust has no involvement in payroll or the cost of foodstuffs sold in the cafe. However the Trust has been obliged to service catering equipment, to meet the cost of cleaning and to pay for all utilities in the areas occupied by the franchisee. We understand that contribution in the year was about £40k which, if accurate, is very good but not sustainable because the franchisee will have been losing money.

Following a tendering exercise a new caterer commenced trading at the museum from the beginning of October 2016 on a three year turnover deal which sees the Trust benefit from 16.6% of turnover though still with some cleaning and servicing obligations. Gross income to the museum is expected to be £54k, £59k & £65k in successive years of the contract. We expect that contribution will be of the order of £15k, £20k & £25k.

The new caterer is to invest £20k in the cafe offer over the period of the arrangement and the museum is planning to exhibit some Carlisle Life material in the cafe area. Our view is that the Trust's decision to outsource catering rather than manage an in house operation is the correct one.

## Earned income, events

Tullie House has rooms available to let for meetings, events and weddings etc. Gross hire income in the year to March 2016 was £23k from which £10k should be deducted for direct costs incurred. Given that a member of staff is currently engaged virtually full time on taking bookings and servicing the events it is clearly a loss making activity at the present time. Marketing, organising and servicing such events fits better with the skills sets and experience of professional caterers and we advocate that the role of the newly procured caterer be extended in that direction.

We are moderately bullish about future prospects for net hire income, particularly if as expected, a UK wide retailer establishes its headquarters in Castle Street and if the Trust's future development plans include refurbished meeting, conferencing and event facilities that have character, are well equipped and managed flexibly in the interests of building long term business to business relationships.

### **Earned income, other**

An income line of 'other fees & charges' sums to £53k in year to March 2016. We understand this to include sessions delivered to schools, school user group membership scheme, workshop, talks, adult learning courses and sales of the Tullie Card. We think it would be helpful to bring all admission related income including Tullie Card and other membership schemes that provide discounted admission into one place in the management accounts. This would have the advantage of a single annual admission income figure to set against the recorded volume of visits from which net income per visit is readily assessed.

Educational sessions and courses may be another useful line in the management accounts. We understand that a number of types of workshop sessions are provide free. This is likely to change and it could be very useful to monitor the volume of 'workshop' customers and income against them as well as 'visit' customers and corresponding admissions income.

Monday Alternative film nights are a great idea but only rarely are more than half of the 100 seats taken. They realised a gross profit of £2k on turnover of £8k year to March 2016 representing at best a breakeven activity after marketing, staffing and security costs are taken into account. Specialist cinema experiences are high value and a growing market which may be better exploitable by the Trust following investment in improved facilities.

CBDC is the Cumbria Biodiversity Data Centre which is a distinct operating unit within the museum but is under the management of the Trust. The Trust receives an annual fee of c £11k for hosting the facility which earns around £48k in fees annually but makes an operating loss of (£33k). This loss to the Trust is made up through the Council core funding arrangement.

### **Core funding & grants**

The Council's core funding to the Trust takes the form of a fee for services provided. This arrangement supports the Trust's VAT position and emphasises the business relationship set out in the Operating & Funding Agreement of 2011. The fee received in year to March 2016 was £1.133m. The budget figure for year to March 2017 is £835k. Given that CBDC services makes an operating loss of around £33k this represents an effective fee of circa £800k to museum operating costs.

As things currently stand the Trust is planning for the same fee in 2017/18 and 2018/19 and the Council confirms that it has no current intention to reduce that further.

The Trust also has a current revenue grant funding relationship with Arts Council England (ACE) from which it received a management fee of £61k in 2015/16. Similar sums are scheduled over the next two financial years.

The purpose of this grant is to contribute to Trust overheads incurred in connection with the Tullie House lead role in Cumbria Museums Consortium which is supported by ACE through its Renaissance Major Grants Programme.

The Cumbria Museums Consortium has been successful in securing a second round of three year grant funding amounting to £3.2m from April 2015 to March 2018. For the Trust this provided a restricted incoming grant of £450k during year to March 2016 with corresponding expenditure of £450k. There is, we understand, no current certainty around ACE supported programmes for Tullie House continuing beyond March 2018.

## Expenditure

The Trust's revenue expenditure in 2015 / 2016 was c £2.1m. Planned expenditure to March 2017 includes £459k of ACE funded Cumbria Museums Consortium outputs, £216k of which are ACE funded payroll items. ACE payroll funding supports the employment a range of staff. We understand that a restructuring exercise would be required in the event that ACE funding were not to be renewed beyond 2018.

If we strip out the ACE grant and expenditure, we are left with core museum operating costs of about £1m a year. We have few comments to make about these other than that for the physical size of the Museum and its collections we can find no particular areas in which costs could be significantly further reduced without quite serious impact on what the museum is able to do.

Payroll is understandably a substantial item of expenditure. It may be possible for the community and volunteers to play a bigger role than they currently do - in day to day operations for example. It is easier to motivate volunteers to help the museum do more, rather than stand still, but there is nevertheless potential in this area, particularly if such volunteers are actively engaged in longer term plans for improvement.

There may be future opportunities to share some resources with another organisation that has spare capacity or faces similar challenges to the Trust. Candidates organisations may be other museums in the Cumbria Museum Consortium, or in Carlisle, an organisation that has similar characteristics in terms of trading charity and governance. It would be relatively easy to set planning targets for future reductions in operating costs that might be achievable in this way but much less easy to achieve them as and when planned to do so. The reality is that such opportunities will arise when they arise rather than when they are predicted, and as a consequence we don't consider it prudent to factor them too firmly into financial planning.

It will be more advantageous for the Trust to focus on increasing net earned income and to take the benefit of sharing costs if and when the chance presents itself. In reality it is likely that most opportunity will be on the content side - jointly planned exhibitions with other museums for example, or through collaboration with the University of Cumbria's Institute of the Arts.

Many staff are on legacy terms and conditions of employment from their former status as public sector employees. Their arrangements, including pension entitlements, may be adjustable over time but that cannot be certain and while that could prove to have a positive impact on costs overall it is unlikely to be significant in the near future. Apart from the cost factor, we are confident that the Trust wishes to be a respected employer that rewards its staff team on a responsible and proper basis. The question of terms and conditions of future staff appointments has to be considered however and the conclusions built into forward business planning.

A simple ratio which tells its own tale and further emphasises the urgent need to have a clear grasp of the key metrics for visit number and other forms of use of the museum asset, is the cost per user. Taking 2015/16, expenditure of £2.1m and assuming that the number of visits was 40k that represents a cost per visit of £53 or £42 if the visit number was 50k. This is a very high compared with York Museum Trust operating cost per visit of £17.

## 6. SUSTAINABILITY & FORWARD OPTIONS

### Current & sustainable levels of future funding

From our review of recent financial results and our understanding of the type of improvements the new museum team can readily attain we believe that it should be possible to achieve net operating improvements of around £235k per annum. We base this on the assumption that net income / contribution can be improved as follows;

- ▶ Admissions income by £170k
- ▶ Retail contribution by £30k
- ▶ Event contribution by £15k
- ▶ Sponsorship by £10k
- ▶ Donations by £10k

It is important to be clear that these are proposed improvements to net income i.e. contribution to the fixed costs of running the museum. That means each improved income line has to be achieved without any corresponding increase in cost other than the cost of goods sold where applicable - retail purchases for example.

We believe it is within the capacity of the current team to effect these improvements relatively quickly and that they could fully impact by the end of financial year 2017/18. Some modest investment may be required in terms of systems, reception configuration, retail presentation and marketing but no major expense of a significant capital nature should be needed.

We also think it important that the Council sticks to its commitment to retain the current level of core funding through to financial year 2018/19. The reason for this would be both to maintain the positive motivation of the new executive team and to challenge it with seed corn funding to plan ambitiously for the future development of the museum.

Working up project proposals to put to Heritage Lottery Fund for example will incur some professional fees as will preparation and management of any scheme to take advantage of street frontage offered by the Council's properties in Castle Street.

Looking further ahead and again assuming no capital improvements of a significant nature we believe that on a steady state basis the Council may be able to reduce its core funding by £200k per annum.

We don't advocate this at the present time because we believe the Trust and Council should invest in working up a significant project to improve the museum offer and prospects for future viability. We know, for example, that the Council's collections are poorly housed and inadequately invested in - a situation which has recently worsened with the forced move from Shaddon Mill. Care of the collections which are a Council asset, will never provide a financial return. We take the view that they are important to the Council and that it will want to avoid disposals on any significant scale.

If collections storage and management issues could be largely resolved through a one off investment by Heritage Lottery Fund that would represent a major achievement leading to a more readily sustainable forward plan.

Given the scale of the museum, its collections, its complex of buildings and its location in a community of 100k people we think it highly unlikely that the Council's core funding could reduce below £500k without a very radical reduction in scale of what the museum does, where it does it



and what it holds in terms of collections. We don't believe this is something the Council wants and neither do we think it is something the Trust would countenance or wish to be involved in. In our opinion that would require the Council to trigger an event which terminates the Operations & Funding agreements with the assets reverting to the Council long before the scheduled date of March 2041.

However, and at that level of forward funding we do see that Carlisle could have a much improved Museum & Art Gallery which attracts and engages more people, stands more on its own feet and makes a stronger contribution to the City, its economy and quality of life. We set out on page 20, a likely forward planning scenario following investment in a comprehensive development of Tullie House.

### Future funding options

In year to March 2016, the Council spent a net £6.9m on Cultural & Related Services. This comprised £891k on theatres & public entertainment; £1.13m on museums & arts; £2.45m on sports & community recreation; £0.9m on tourism & TIC; £1.6m on parks & open spaces. At 15% of the annual commitment to Culture, we can see just how important Tullie House is to the Council.

There are of course options for the ways in which the Council might continue to support Tullie House and the Trust at say, a future annual commitment of £500k. It could;

- ▶ Continue to budget that sum within its annual revenue plan
- ▶ Make a one off capital sum available to the Trust with the intention that suitably invested it could deliver a sum of £500k per annum (capital & interest) to 2041 i.e. the period of the Operation & Funding Agreement
- ▶ Transfer other assets from which the Trust could derive an income for the period of the Operations & Funding Agreement

Of these we believe that continuing to fund the Trust from its annual budget is the best option for the Council. It has the benefit of simplicity and is certainly the most appropriate one at the present time during a period of transition, focus on increased net earned income and, potentially, working up the forward masterplan and a Heritage Lottery Fund bid.

We see few immediate benefits to the Trust or the Council in trying to agree exactly what a one off capital sum that returns say £500k capital and interest would be in today's highly risky post Brexit investment markets. And we see that the Trust has more pressing things to do than run an investment pool of money or pay a fund manager to do that.

The brief asks for consideration of other forms of asset transfer and we note the Council has on its balance sheet a significant portfolio of commercial, residential and community property valued in March 2016 at £123m (£93m investment portfolio, £30m operational). For a relatively small authority and population this is a significantly sized portfolio and the Council is to be commended for building this over time.

We do not think that transfer of either freehold or leasehold investment properties to the Trust represents a realistic option for the Council to replace annual core funding. Freehold would be inappropriate given that the Trust's current Operating & Funding Agreement concludes in 2041. Transfer of leasehold property that is rented and income producing would only incur unwarranted legal and management costs. Transfer of leasehold property that is not rented but has a potential development upside would be of no immediate cash benefit to the Trust and its development value would be severely limited by the short length of lease which the Council could offer.

Apart from anything else, managing non heritage / museum related property for income or a development receipt is not something that lies naturally with the current experience and skills set of the Trust and neither necessarily should it. It would be a distraction and represents too much risk for volunteer Directors to take on.

The one Council asset that would be beneficial to the Trust and to the future of the museum is 6-24 Castle Street, a row of connected properties including listed and unlisted buildings, currently leased to the University of Cumbria.

March 2016 valuations from the Council's asset register show that;

- ▶ Tullie House Museum & Art Gallery is valued at £2.39m including £2.25m buildings and £0.14m land. It is classified as operational and not therefore expected to deliver a financial return on asset value
- ▶ 6-24 Castle Street is classed as an investment property valued at £360k which as currently rented to the University of Cumbria represents a yield of 11%
- ▶ Herbert Atkinson House, together with 13 Abbey Street, is currently valued at £160k. It is classed as an investment property though is currently occupied by the Cumbria Biodiversity Centre and some other museum office functions at peppercorn rent

## 7. DEVELOPMENT POTENTIAL

### Master Plan & Heritage Lottery Fund

The Trust's 20:20 Vision and 2014 outline options for rationalising museum spaces and developing the Tullie House complex, had much to commend it. It was put to Heritage Lottery Fund in November 2014 as a £18.5m scheme comprising £0.72m development phase preparatory work and a £17.78m delivery phase with major grant requests of £0.47m and £12m at HLF application rounds one and two respectively.

In what proved to be a very competitive HLF round, the 2014 application was not successful. Co-incidentally we submitted a £9m grant application for a £30m London project in the same round and that too was unsuccessful. A subsequent 2015 application for the re-presented project was successful however and that is now almost half way through its preparatory development phase.

Irrespective of Heritage Lottery Fund grant, Tullie House needs a well thought through and informed long term plan which takes account of its future local and tourist markets, the needs of its collection, its role in Carlisle City Centre's conservation area and a forward sustainable business plan.

Developing a robust master plan is a process of research, consultation and collaboration. It can also establish some early principles around phasing and with appropriate procurement processes, establish a team whose appointments comply with the conditions of HLF grants.

Key benefits of the 2014 options prepared by Buttress architects were;

- ▶ Visibility for the Museum with a new entrance, ticketing & shop on Castle Street
- ▶ A significantly improved street frontage location for the museum cafe
- ▶ Creation of a clear circulation route through the Museum
- ▶ Creation of an on site Treasure House store for the reserve collections with public access potential
- ▶ Release of the current bird store, a magnificent but hidden gem, for public use - exhibitions, events or both
- ▶ Improving efficiency by bringing the staff team together and working in one place

We are certain that these improvements would significantly enhance the museum and through the HLF project process resolve many legacy issues, including creating commercial opportunities and resolving collections challenges faced by the current management.

We also believe that with a sound preparatory approach, a second HLF application would have a much stronger chance of success than that put forward in 2014. We say this for two reasons;

- ▶ Firstly we believe that with a strong masterplan in place, phasing options could reduce the level of grant sought for a phase 1 and pave the way for phases 2 and if appropriate 3 over a period of time
- ▶ Secondly we believe the museum to be under stronger management now than it was in 2014. This adds significantly to the credibility of major grant applications to HLF

### Castle Street

Separate to consultations and preparation of this report for the Council, we have undertaken an initial assessment of properties at 6-24 Castle Street and the Council's offer of these to the Trust.

Our report concludes that the buildings represent a significant opportunity to create a much improved and more self sufficient museum than is currently possible given the difficult configuration of spaces which has grown incrementally over many years and results today in commercial operating constraints.

We were invited to present our headline conclusions to the Trust at its September 2016 Awayday workshop. The response clearly recognised the potential but was understandably measured given the Trust's limited ability to take on additional operational costs at the present time.

Subsequent to that discussion we finalised our draft report and recommendations which are currently with the Trust for comment. We understand from the Museum Director that the Trust recognises the transformational potential of the Castle Street opportunity and is considering how best to approach the project.

In our view, there is no need for the Trust to take on 6-24 Castle Street immediately. Although presently unoccupied, the properties are currently leased to the University of Cumbria until April 2018 and rent of £40k per annum is due to the Council to that date. The University of Cumbria will also be due to meet dilapidation obligations though it is not yet clear what these will be.

We feel that 6-24 Castle Street should be factored into the Tullie House master plan which can be developed and funding applied for while the Council continues to receive rental income. We also think there will be deals to be done with the University of Cumbria in respect of dilapidations given the prospect of grant support from Heritage Lottery Fund.

In broad terms we have suggested the Trust should think about 6-24 Castle Street as three sets of opportunity

- ▶ The Gate Tower, which is grade I listed. There is little one can, or would want to do to change or adapt this interesting and historic building in any radical way. Our view is that it could convert to three or more units of guest accommodation. The Landmark Trust has shown how successful character accommodation in historic buildings can be. Located opposite the (intended) headquarters of a UK wide retail business should mean clear demand for weekday accommodation. The same accommodation would support a future Tullie House wedding venue offer at weekends and the leisure tourist market during vacation periods
- ▶ The former City Hall is not listed and subject to approvals, could be largely demolished in favour of a new and highly visible entrance to the Tullie House complex. The museum's retail offer would have street frontage on the route from City Centre to the Castle which is itself shortly to be improved by the addition of a pedestrian crossing
- ▶ The former houses 6-18 Castle Street are listed grade II. Their interiors are largely altered but the frontages remain an important feature of the conservation area. At ground floor level the spaces lend themselves well to cafe use and particularly so one that tells a Carlisle story. The upper floors provide office space which can usefully accommodate all museum and CBDC requirements. Subject to detailed planning we believe there should be surplus office space that can be let for income or utilised for trainee placements and collaborative project work - with students from the Institute of the Arts for example

Our conclusion is that it will be in the best interests of the museum for the Trust to add at least 6-20 Castle Street into the buildings and areas it leases from the Council and that it should be on a peppercorn basis at a suitable point after April 2018 when University of Cumbria's lease expires.

Subject to the results of a master planning process we believe it will be possible for the Trust to vacate Herbert Atkinson House on Abbey Street and for this to revert to the Council for

commercial letting purposes though boundary adjustments may be required to accommodate some likely elements of the masterplan such as a 'treasures store'.

We are not yet sufficiently clear as to whether the Trust will want to take on 22-24 Castle Street i.e. the Gate Tower. It may not consider that our suggested use as guest accommodation lies sufficient close to its core activities and purpose.

Subject to survey and detailed costing of an approved scheme of conversion however, we believe that Gate House accommodation could deliver a net income and an appropriate return on investment. This is something the Council could invest in directly of course or it could find an appropriate party to do so. The business which we understand is to locate its headquarters in Castle Street might itself be interested in taking on The Gate Tower for staff accommodation.

## Future planning scenario

The table below compares year to March 2016, excluding redundancy and depreciation, with what we believe future stable years could look like both before an HLF supported development and after.

Assumptions	Financial Statements March 2016	Stable Year Before Development	Stable Year After Development
Visit Volume '000s	50	65	100
Headline admission price £s	9.90	6.50	10.00
Discount admissions to net %	0.17	0.60	0.60
Footfall '000s	230	250	400
Retail spend / footfall £s		0.75	1.50
F&B spend / footfall £s		0.75	1.50
<b>Trust Income £000s</b>	<b>822</b>	<b>884</b>	<b>1,305</b>
Admissions	85	254	600
Other fees & charges	114	115	120
Trading income	195	0	0
Grants	386	450	450
Donations & gift aid	21	35	60
Sponsorship	5	15	60
Bank interest	16	15	15
<b>Trading Co Profit £000s</b>	<b>0</b>	<b>31</b>	<b>125</b>
Retail contribution 10%	0	16	50
F&B contribution 10%	0	16	50
Event contribution	0	20	50
Trading Co overheads	0	-20	-25
<b>Expenditure £000s</b>	<b>1,970</b>	<b>1,550</b>	<b>1,900</b>
Payroll (Ex redundancy)	1,186	750	900
Direct costs	736	750	900
Support costs (Ex depreciation)	48	50	100
<b>Operating result £000s</b>	<b>-1,148</b>	<b>-635</b>	<b>-470</b>
<b>Core funding £000s</b>	<b>1,133</b>	<b>833</b>	<b>533</b>
Core funding	1,100	800	500
CBDC	33	33	33
<b>Net Result *</b>	<b>-15</b>	<b>198</b>	<b>63</b>
<b>* Before Project Workup Costs</b>			

The model is predicated on an immediate focus on getting the business side of the museum working with particular attention to admissions and the control of costs associated with secondary income. We know that the management team is making progress in these areas. We suggest that the model illustrated above is a simple and useful tool for future planning.

## 8. RECOMMENDATIONS

### Focus on customer / visit volumes & admissions income

- ▶ Intelligent information about visit numbers and attracting paying customers are the most important consideration for a museum that seeks to depend on earned as opposed to grant income
- ▶ Every additional paying visitor represents 100% contribution to fixed costs. By comparison, retail / catering income typically represents around 10% at best
- ▶ The Tullie Card has to develop into a viable membership scheme that helps drive the Trust's admissions income and business plan. This is unlikely to support overly generous discounts for Carlisle residents
- ▶ More emphasis on Carlisle Life / local interest in the content and programmes of the museum will encourage more repeat visits

### Improvements - retail, catering & events

- ▶ Net income, or contribution has to be the guiding principle behind all activity that is secondary to running the museum, caring for its collections, marketing it to the public and opening it to them
- ▶ We see considerable room for improvement in retail and in events by which we mean paid for use of museum facilities with, or without catering
- ▶ We see less scope for immediate improvements in catering contribution but are reasonably confident that the new franchisee has the appetite to grow both consumer and business potential at Tullie House

### Future developments

- ▶ The Trust should revisit its 2014 20:20 Vision and prepare a masterplan that forms the basis of a second application for a Heritage Lottery Fund development grant and subsequent phased project delivery. It may be advantageous for the Council to be a formal partner to that application
- ▶ Council owned properties in Castle Street should be incorporated into this masterplan. They offer significant potential to increase both the visibility and volume of visits to the Museum
- ▶ Expected inward investment in Castle Street adds significantly to potential demand for the Museum if its offer is adjusted to the new opportunities
- ▶ Appropriately positioned and managed, secondary activities such as retail and catering have the potential to make significantly improved contributions in a Castle Street frontage location rather than enclosed as they currently are, within the confines of the museum complex

### Governance

- ▶ Now that an extremely difficult period of planning for reduced income, staff changes and redundancies has been successfully navigated, the Council and the Trust could usefully make time for discussion around shared objectives, future priorities and barriers to progress - if and where they exist
- ▶ The Trust board should consider broadening the scope of its experience to include commercial, property & local interest expertise
- ▶ The Council should do more to recognise the status of the Trust as current owner and operator of the Museum

## APPENDIX A - CONSULTEES

John Bonner	Site Manager	Carlisle Castle, English Heritage
Roger Cooke	Chair	Tullie House Museum & Art Gallery Trust
Paul Croft	Trustee	Tullie House Museum & Art Gallery Trust
Darren Crossley	Deputy Chief Executive	Carlisle City Council
Alex Farthing	Commercial Manager	Tullie House Museum & Art Gallery Trust
Cllr Colin Glover	Leader	Carlisle City Council
Deborah Goodland	Director	Walton Goodland, Commercial Property
Chris Hardman	Planning Development Manager	Carlisle City Council
Roddy Hunter	Director, Institute of the Arts	University of Cumbria
Leadership Team	Museum	Tullie House Museum & Art Gallery Trust
Andrew Mackay	Director	Tullie House Museum & Art Gallery Trust
Cllr John Mallinson	Opposition Leader & Trustee	Carlisle City Council & TH Museum Trust
Steve Matthews	Proprietor	Bookcase Carlisle
Paul McCulloch	Head of Capital Development	University of Cumbria
Jane Meek	Director, Economic Development	Carlisle City Council
Liz Page	Regional Director	English Heritage
Cllr Anne Quilter	Portfolio Holder, Culture	Carlisle City Council
Andrew Smith	Trustee	Tullie House Museum & Art Gallery Trust
Hannah Stewart	Trustee	Tullie House Museum & Art Gallery Trust
Cllr Dr Les Tickner	Deputy Leader & Trustee	Carlisle City Council & TH Museum Trust
Barbara Vernon	Building & Estates Services	Carlisle City Council
Mark Walshe	Property Manager, Investment	Carlisle City Council
Joy Woodruff	Proprietor	ABC Day Nursery



## **APPENDIX B - ATTACHED**

### **Success guide**

Successfully Setting Admissions Policy & Pricing

DC Research for Association of Independent Museums, September 2016

## **APPENDIX C - ATTACHED**

### **Accounts**

Tullie House Museum & Art Gallery Trust Limited

Year to March 2016

## **APPENDIX D - ATTACHED**

### **Accounts**

Tullie House Museum & Art Gallery Trust (Trading) Limited

Year to March 2016

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## EXCERPT FROM THE MINUTES OF THE EXECUTIVE HELD ON 14 OCTOBER 2019

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**EX.92/19**     **TULLIE HOUSE BUSINESS PLAN**  
(Key Decision – KD.20/19)

**Portfolio**     Culture, Heritage and Leisure

**Relevant Scrutiny Panel**     Health and Wellbeing

### **Subject Matter**

The Culture, Heritage and Leisure Portfolio Holder submitted report CS.28/19 introducing the Tullie House Museum and Art Gallery Trust 2019 – 2025 Business Plan.

Members were reminded that the purpose of the report was to allow consideration of the Business Plan in order that the Council may, in due course, agree core funding for the Trust. That was in line with Section 5 of the Partnership Agreement between the Council and the Trust which stated that the Business Plan submitted by the Trust to the City Council should be used as the basis for agreeing future years funding.

Also included within the Business Plan was an overview of Project Tullie, the Trust's long-term masterplan that aimed to transform Tullie House Museum into the creative and cultural heart of the borderlands for the 21<sup>st</sup> Century.

The Funding Agreement between Tullie House and Carlisle City Council stated that core funding should be agreed for a three-year period covered by an annually submitted Business Plan. Tullie House Trust had suggested that a four-year business Plan (and funding agreement) would offer stability and certainty in budgeting for both parties. The Trust believed that a four-year cycle would also fit into the Arts Council for England funding cycle and help with the delivery of Project Tullie.

The Council had reduced the Core grant since the commencement of the Trust in 2011 and the report included details of previous core funding, inflation (borne by the Council) and Services costs (paid over to Tullie House Trust).

The Culture, Heritage and Leisure Portfolio Holder concluded by moving the recommendation.

**Summary of options rejected**     Not to refer the Business Plan to Scrutiny for consideration.

## **DECISION**

That the Executive considered the Tullie House Trust Business Plan (report CS.28/19) and referred it to the Health and Wellbeing Scrutiny Panel on 21 November 2019 for their review before a final report came back to the Executive.

## **Reasons for Decision**

The recommendations allowed the report, the associated Business Plan and core funding to be approved in line with the Partnership Agreement

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## **EXCERPT FROM THE MINUTES OF THE HEALTH AND WELLBEING SCRUTINY PANEL HELD ON 21 NOVEMBER 2019**

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### **HWSP.73/19 TULLIE HOUSE BUSINESS PLAN 2019 - 2025**

The Panel welcomed Mr Smith – Chair of the Trust Board, Tullie House and Mr Mackay – Director, Tullie House to the meeting.

The Deputy Chief Executive submitted report CS.32/19 introducing the Tullie House Museum and Art Gallery Trust 2019 – 2025 Business Plan.

The Health and Wellbeing Manager reminded Members that the purpose of the report was to allow consideration of the Business Plan in order that the Council may, in due course, agree core funding for the Trust. That was in line with Section 5 of the Partnership Agreement between the Council and the Trust which stated that the Business Plan submitted by the Trust to the City Council should be used as the basis for agreeing future years funding.

Also included within the Business Plan was an overview of Project Tullie, the Trust's long-term masterplan that aimed to transform Tullie House Museum into the creative and cultural heart of the borderlands for the 21<sup>st</sup> Century.

The Funding Agreement between Tullie House and Carlisle City Council stated that core funding should be agreed for a three-year period covered by an annually submitted Business Plan. Tullie House Trust had suggested that a four-year business Plan (and funding agreement) would offer stability and certainty in budgeting for both parties. The Trust believed that a four-year cycle would also fit into the Arts Council for England funding cycle and help with the delivery of Project Tullie.

The Council had reduced the core grant since the commencement of the Trust in 2011 and the report included details of previous core funding, inflation (borne by the Council) and Services costs (paid over to Tullie House Trust).

The Executive had considered the matter at their meeting on 14 October 2019 (EX.92/19 refers) and referred the Plan to the Panel for their review before a final report came back to the Executive.

Mr Smith, Chair of the Trust Board, Tullie House thanked the Panel for the invitation to speak at the meeting. He explained that the Business Plan was more comprehensive than in previous years as it planned for six years instead of three. The Business Plan linked into the manifesto which Tullie House had prepared in 2016. The Manifesto had focused on financial sustainability and community engagement and the Chair of the Arts Council for England had complimented the Manifesto saying it was ground breaking and influential in the museum sector.

The Business Plan detailed ways in which Tullie House could encourage more active engagement in the Carlisle community, surrounding areas and increase the tourism market in the region. Mr Smith felt that the Business Plan contained an ambitious programme drawing attention to Project

Tullie which required investment for the benefit of Carlisle and the region. Mr Smith believed that the investment in Project Tullie would produce significant economic value.

Mr Mackay, Director, Tullie House reported that the Business Plan combined the capital programme with the day to day business of Tullie House and the fundraising for the capital programme had already begun. In addition to the Business Plan a draft Masterplan had been prepared and detailed the ways that Tullie House could increase community engagement, attract tourism and benefit the local and regional economy. He added that representatives of the City Council had been involved in the steering group.

Mr Mackay detailed some statistics for Tullie House and commented that the challenge of becoming more successful had been the space within the building. The capital programme included reorganising and releasing existing space in the building to increase the offer. He reported that Project Tullie had been launched in London and he detailed some of the exhibitions that were being held in Tullie House including a Rembrandt exhibition from the British Museum and a Turner exhibition from the Tate Museum. The exhibitions had brought in approximately 400 visitors per day and had been very successful.

In considering the Business Plan Members raised the following comments and questions:

- How would the performance management of Tullie House be developed through the Business Plan?

Mr Smith reminded the Panel that Tullie House was a Trust and had a Board of Trustees. There were thirteen members of the Board, two of which were Carlisle City Councillors appointed by the Council. A lot of detailed work had been undertaken to ensure that the Board had good governance arrangements and were fit for purpose.

The Health and Wellbeing Manager explained that he monitored the Tullie House contract as part of his role. This included quarterly meetings regarding performance and finance, and he had worked with Tullie House on the preparation of their Business Plan.

- The Panel congratulated Tullie House in securing the Rembrandt and Turner exhibitions.
- Where did Tullie House draw the Trustees from?

Mr Smith explained that a head hunter had been used at the time of the establishment of the Trust. The head hunter had engaged the previous Chair and had carried out a thorough national and local process to identify Trustees. Each Trustee had been identified for their required skill set and for their local connection. All Trustees, except one, had a strong local connection. Tullie House wanted the Board to be fully representative of the community but there was fine balance to be met of acquiring the required skills and representing the community. A new Community Board was being established to encourage young people and a different cross section of people to become involved, there would also be opportunities to progress to the main board.

The Leader commented that the two City Council representatives were Councillor Bomford and Councillor Dr Tickner, he also attended meetings in a non-voting capacity. He felt that the Board was representative and committed.

- A Member asked for some background information on the development of partnership working with China.

Mr Mackay responded that the Museum had been approached by the Imperial Decree Museum in Xuzhou, China who were looking for a UK partner to help them improve the quality of their museum. Tullie House entered into a Memorandum of Understanding sharing information and collections and the partnership had grown from there. Tullie House had engaged with the Chinese community in Carlisle and had delivered a successful programme over the last two years which would culminate in a Chinese exhibition in 2020.

- Did Tullie House engage with the Chinese students who attended the University of Cumbria?

Mr Mackay reported that Tullie House had a Memorandum of Understanding with the University and worked closely with the Vice Chancellor. He added that there had been a significant increase in Chinese students attending Austin Friars and as a result Tullie House worked closely with the school.

- Borderlands was a huge project for the area, how would Tullie House engage with visitors who lived in Scotland and encourage them to visit?

Mr Mackay was conscious that many people in Scotland used Carlisle as a service centre and a lot of Scottish tourists also visited the City. There were no plans for a specific Scottish exhibition, however he was open to the idea adding that there would be lots of opportunities to address the matter.

- The Panel had previously suggested that the Trust should promote the museum nationally, had this suggestion been progressed?

Mr Smith agreed that the museum should be promoted further on a national level explaining that the reason for the Project Tullie launch in London had been to do just that. He added that Tullie House had received a lot of national press coverage in the last year.

Mr Mackay also agreed that more national promotion would be beneficial, however the cost associated with such promotion meant it was difficult to achieve.

- Why was it important for Tullie House to move from a three year funding model to a four year model?

Mr Mackay explained that the four year proposal had come from the Masterplanning work. Tullie House had a four year agreement with the Arts Council and it would be helpful to have a similar agreement with the Council for practical reasons.

- What would be the impact of a four year agreement be on the Council's Medium Term Financial Plan?

The Deputy Chief Executive responded that there were no obvious additional impediments and the decision was a matter for Members after considering the benefits and risks.

- How many school children visited Tullie House and how many schools came from outside of the area?

Mr Mackay reported that 15,621 school children had visited Tullie House in the previous year. Tullie House liaised closely with teachers to ensure the programme they delivered linked to key stages. An annual programme was produced to aid schools in planning visits and the Cumbria County Council school network was used to advertise individual events. There was a good mix of local schools and schools out of the area however transport costs were often an issue for schools.

#### **HWSP.74/19 PUBLIC AND PRESS**

RESOLVED – That in accordance with Section 100A(4) of the Local Government Act 1972 the Public and Press were excluded from the meeting during consideration of the following item of business on the grounds that it involved the likely disclosure of exempt information as defined in the paragraph number (as indicated in brackets against the minute) of Part 1 of Schedule 12A of the 1972 Local Government Act.

*The Panel adjourned for a short break at 11.55am and reconvened at 11.57am*

#### **HWSP.75/19 TULLIE HOUSE BUSINESS PLAN**

(Public and Press excluded by virtue of Paragraph 3)

The Deputy Chief Executive submitted private report CS.33/19 relating to the Tullie House Museum and Art Gallery Trust 2019 – 2025 Business Plan.

The Health and Wellbeing Manager reported the Funding Agreement between Tullie House and Carlisle City Council stated that core funding should be agreed for a three-year period covered by an annually submitted Business Plan. Tullie House Trust had suggested that a four-year Business Plan (and funding agreement) would offer stability and certainty in budgeting for both parties. The Trust believed that a four-year cycle would also fit into the Arts Council for England funding cycle and help with the delivery of Project Tullie.

The report set out the impact of the proposals put forward by Tullie House Trust which would be considered in detail and included in the Council's budget process.

The Core Grant referred to in the Tullie House Business Plan represented the financial support offered to the Trust on an annual basis to assist the Trust to operate. The Council had reduced the grant since the commencement of the Trust in 2011. To give the Trust certainty during the period the Council agreed to hold the core grant between the years 2013-15 and 2016-2020. The Medium Term Financial Plan (MTFP) assumed a reduction in core grants of £300,000 by 2022/23.

Mr Smith, Chair of the Trust Board, Tullie House reminded the Panel of the background to the reduction in Management Fees to Tullie House and the scope of how Tullie House could meet the reduction. It had been the understanding of Tullie House that the reduction in Management Fees from the Council was subject to some capital investment which would then allow Tullie House to manage the reduction.

The Deputy Chief Executive clarified that the Medium Term Financial Plan had included the full reduction in Management Fees with the words 'up to' included before the £300,000 as it was recognised that Tullie House could make additional income/savings following a capital investment.

In considering the report the Panel discussed the options available to Tullie House and the City Council and the impact of those options on both organisations.

The Panel discussed options for Tullie House including ticket pricing, generation of income, joint tickets, promotion and advertising of events and the impact on their services if the reduction was agreed.

The Panel had concerns that the impact of a reduction in Management Fees may negatively impact the local community and economy. Mr Smith set out the impact on services along with potential impact on Project Tullie and the long term income from the Project.

The Panel were sympathetic to the issues facing Tullie House and requested that the Executive consider how the suggestion from Tullie House could be accommodated within the Council's budget.

Both the Finance, Governance and Resources Portfolio Holder and the Leader commented that the accommodation of the option proposed by Tullie House would result in other pressures on Council budgets and welcomed any recommendations from the Panel on how those pressures could be met. The Portfolio Holder reminded the Panel that the Council had previously agreed the reduction in the Management Fee which was why it had been included in the MTFP.

The Chairman allowed Councillor Glover to address the Panel. Councillor Glover reminded the Panel of the background to the reduction in core grant and the additional savings which would come following investment which would give Tullie House the capacity to deliver the savings. He had real concerns that the reduction would impact the services offered at Tullie House and other funding streams available to them.

The Finance, Governance and Resources Portfolio Holder disagreed that the reduction was included in the MTFP on the basis that investment would come first and it was reported as it had been agreed by full Council.

The Panel debated the options for resolutions including reducing the amount of savings, recommending further options be sought on how the proposal could be accommodated and the proposal put forward by Tullie House Board for core funding from 2020/21 to 2023/24 as at page 34, point 6.3 of the Business Plan. The panel took a vote on the matter.

Having declared an interest Councillor McNulty took no part in the vote, following the vote it was:

RESOLVED – 1) That the Panel recommend that the proposals made by the Tullie House Board for core funding from 2020/21 to 2023/24 as at page 34, point 6.3 of the Business Plan be agreed by the Executive.

2) The Panel thanked Mr Smith – Chair of the Trust Board, Tullie House and Mr Mackay – Director, Tullie House for their attendance at the meeting.